GOVERNING COUNCIL

# THIRTEENTH SESSION REPORT

ROME 23 - 25 JANUARY 1990

IFAD

INTERNATIONAL
FUND FOR
AGRICULTURAL
DEVELOPMENT

INTERNATIONAL
FUND FOR
AGRICULTURAL
DEVELOPMENT

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## GOVERNING COUNCIL

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# CHAPTER 1

## INAUGURATION AND PROCEEDINGS

1. The Thirteenth Session of the Governing Council of IFAD was held in Rome from 23 to 25 January 1990. The List of Participants is attached as Annex I.

2. The Council held a total of six meetings, the Summary Records of which are contained in Chapter 3, Part A.

### A. Opening Meeting of the Governing Council

3. The opening meeting of the session was chaired by His Excellency Justin Jeremiah Mukando, Minister for Agriculture of Zambia and Vice-Chairman of the Governing Council.

### B. Agenda and Documentation

4. The Governing Council adopted the Agenda shown in Annex II. The documents placed before the Council are listed in Annex III.

### C. Election of the Bureau of the Council

5. In accordance with Rule 12 of the Rules of Procedure of the Governing Council, an election was held by the Council for a Bureau from among its Governors, for terms of office of two years, as follows:

| | |
|---|---|
| Chairman | H.E. Abdul Majid Al-Gaud<br>Secretary of the General People's Committee for Agricultural Reclamation and Land Development of the Libyan Arab Jamahiriya |
| Vice-Chairmen | H.E. Carlos de León Prera<br>Minister for Agriculture, Livestock and Food of Guatemala |
| | H.E. Fritz Fischer<br>Deputy Director-General<br>Federal Ministry for Economic Cooperation of the Federal Republic of Germany |

### D. Opening of the Session

6. The session was opened by His Excellency Abdul Majid Al-Gaud, Secretary of the General People's Committee for Agricultural Reclamation and Land Development of the Libyan Arab Jamahiriya and Chairman of the Governing Council. The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic, attended the opening of the session and delivered the keynote address. Subsequently, His Excellency Vice-Admiral Augustus Aikhomu, Chief of General Staff of the Federal Republic of Nigeria, addressed the Council. Mr. Gerald I. Trant, Executive Director of the World Food Council and Representative of the

Secretary-General of the United Nations, and Mr. Salahuddin Ahmed, Deputy Executive Director of the World Food Programme, also addressed the Governing Council. Their statements are reproduced in Chapter 4.

## E. Statement of the President of IFAD

7. A summary of President Jazairy's statement is contained in paragraphs 75 to 91, pages 18 to 20 of Chapter 3, Part A, of this Report and the full text of the statement appears in Chapter 4, pages 174 - 181.

## F. General Statements

8. The General Statements of the Governors are outlined in the Summary Records (Chapter 3, Part A). The General Statements submitted in writing by Members and Observers who did not make oral interventions are reproduced in Chapter 3, Part B.

## G. Closure of the Session

9. The statement by the Chairman, His Excellency Abdul Majid Al-Gaud, summarising the results of the Council's main deliberations and closing the Thirteenth Session of the Governing Council is reproduced in Chapter 4, pages 186 - 189.

# CHAPTER 2

## DECISIONS OF THE GOVERNING COUNCIL

### A. Approval of Applications for Non-original Membership

10. The Governing Council considered document GC 13/L.2 at its first meeting on 23 January 1990 and adopted, by acclamation, the following resolution:

> Resolution 57/XIII
>
> Approval of Non-original Members of the Fund
>
> The Governing Council of IFAD,
>
> Taking into account Articles 3.2(b), 3.3(a), 4.2(b) and 13.1(c) of the Agreement Establishing IFAD and Section 10 of the By-Laws for the Conduct of Business;
>
> Having considered the applications for non-original membership by the Federation of Malaysia and the Union of Myanmar, transmitted to the Council in document GC 13/L.2, and the recommendations of the Executive Board as to the Category in which these applicant States are to be classified;
>
> Approves the membership of the Federation of Malaysia and the Union of Myanmar;
>
> Decides that these two States are each to be classified in Category III.

### B. Audited Financial Statements of IFAD for 1988

11. The Governing Council considered and approved the Financial Statements showing the financial position of IFAD as at 31 December 1988 and the results of its operations for the year ended on that date, as contained in Appendices A to G, inclusive, of document GC 13/L.4 and the Report of the External Auditor thereon.

### C. Proposed Budget of IFAD for 1990

12. After considering the proposed Budget of IFAD for 1990, as presented in documents GC 13/L.5 and GC 13/L.5/Add.1 (contained in Annex IV of this Report), the Governing Council adopted, on 24 January 1990, the following resolution:

Resolution 58/XIII

Budget of IFAD for 1990

The Governing Council of IFAD

1. Bearing in mind Article 6.10 of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations of IFAD;

2. Noting that at its Thirty-Seventh Session, the Executive Board reviewed and agreed upon a Programme of Work of IFAD for 1990 in the amount of SDR 214.4 million;

3. Having considered the recommendation of the Thirty-Seventh Session of the Executive Board concerning the proposed Budget of IFAD for 1990;

4. Approves the Budget of IFAD for 1990, as contained in document GC 13/L.5 in the amount of US$ 39 835 000 determined on the basis of a rate of exchange of 1 270 Italian Lire/US$ 1.00, plus a contingency of US$ 500 000;

5. Decides that in the event the average value of the US Dollar in 1990 should change against the Italian Lira rate of exchange used to calculate the Budget, the total US Dollar equivalent of the Lira expenditures in the Budget shall be adjusted in proportion that the actual average exchange rate in 1990 bears to the Budget exchange rate.

## D. The High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure

13. The Governing Council considered the Report of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure contained in document GC 13/L.7. The Council took note of the Report and unanimously adopted the following resolution on 24 January 1990:

Resolution 59/XIII

The High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure

The Governing Council of IFAD,

Having considered the Report of the Chairman of the High-level Intergovernmental Committee (the Committee) on IFAD's Future Financial Basis and Structure contained in document GC 13/L.7;

Recalling its Resolution 49/XI of 28 January 1988, which requested the High-level Intergovernmental Committee to continue to consider those proposals presented in Section V of the President's Report on IFAD's Future Financial Basis and Structure, contained in document GC 10/L.8, as well as other views and suggestions put forward during the Tenth and Eleventh Sessions of the Governing Council and having primarily a longer-term impact on the future financial basis and structure of IFAD and to submit a report thereon to the Governing Council;

Keeping in mind comments and views expressed by Governors during the Twelfth and Thirteenth Sessions of the Governing Council;

Decides:

1. To invite the High-level Intergovernmental Committee to continue its work on IFAD's Future Financial Basis and Structure, bearing in mind the specificity of the Fund's mandate.

2. That the Committee may seek the advice of the Executive Board on such issues as it may deem appropriate.

3. To request the Committee to hold its First Formal Meeting as soon as possible and preferably before 30 June 1990 and to submit a report to the Fourteenth Session of the Governing Council through the Executive Board.

## E. Progress Report on the Third Replenishment of IFAD's Resources

14. The Governing Council, having considered the Progress Report on the Third Replenishment of IFAD's Resources as contained in documents GC 13/L.6, Add.1, Add.2, Add.3, Add.4 and Corr.1, took note of the report, endorsed the progress achieved to date and welcomed the confirmation of an additional US$ 4 million by the Libyan Arab Jamahiriya towards the total Category II contributions. The Governing Council expressed the hope that the remaining unallocated US$ 5 million from Category II Members be pledged as soon as possible.

## F. Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989

15. The Governing Council considered the Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (the Special Programme) for 1989, as contained in documents GC 13/L.8 and GC 13/L.8/Add.1. The Council took note of the Report and unanimously adopted the following resolution on 25 January 1990:

### Resolution 60/XIII

### Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification

The Governing Council of IFAD,

Noting with satisfaction the contents of document GC 13/L.8, entitled "Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertifiction for 1989";

Further noting with deep appreciation the generous contributions made by Members of IFAD and the European Community to the Special Resources for Sub-Saharan Africa (SRS);

Taking into account the wide measure of support for extension of the programme at the Thirteenth Session of the Governing Council;

Resolves that the President shall:

A. consult donors about the possibility of additional voluntary contributions to the SRS for a further three years without prejudicing deliberations on the mobilization of core funding for IFAD's resources;

B. report back to the Governing Council at its Fourteenth Session through the Executive Board on the results of these consultations for a decision so as to adopt the appropriate measures.

## G. Election of Members and Alternate Members of the Executive Board

16. Pursuant to Rule 40.2 of the Rules of Procedure of the Governing Council, elections were held by Members to fill the vacancies on the Executive Board created by the expiry of the terms of office of six Members and five Alternate Members in Category I, six Members and six Alternate Members in Category II and one Member and one Alternate Member each in respect of Africa and Asia in Category III. Accordingly, the Council declared as elected to the Executive Board, for terms of office of three years, the following Member States:

| | Members | Alternates |
|---|---|---|
| CATEGORY I: | Germany, F.R. | United Kingdom |
| | Italy | France |
| | Japan | Canada |
| | Norway | Sweden |
| | Netherlands | Belgium |
| | United States | |
| CATEGORY II: | Algeria | Libyan Arab Jamahiriya |
| | Indonesia | Iraq |
| | Kuwait | United Arab Emirates |
| | Nigeria | Gabon |
| | Saudi Arabia | Qatar |
| | Venezuela | Iran |
| CATEGORY III: | | |
| Africa: | Lesotho | Senegal |
| Asia: | Thailand | India |

17. In addition, it was decided that for the remainder of their term of office, Nepal would serve as Member (in lieu of Alternate) and Cyprus would serve as Alternate Member (in lieu of Member). The Council accordingly endorsed the rotation of these two positions.

## H. Report on the Status of the Headquarters Agreement

18. The Governing Council took note of the oral report on the subject, presented by the Officer-in-Charge for the General Affairs Department, Mr. Thomas Harms. While taking note of the statement of the Governor for

Italy, the Council appealed to the Italian Government to accelerate the final procedures for providing the Fund with a permanent headquarters building.

## I. Amendment of the Rules of Procedure of the Governing Council

19. The Council, in an attempt to adjust the timing of the annual sessions of the Governing Council in order not to conflict with the timing of meetings of other international fora, adopted the following resolution on 25 January 1990:

### Resolution 61/XIII

### Amendment of the Rules of Procedure of the Governing Council

The Governing Council of IFAD,

Having considered the recommendation made by the Executive Board at its Thirty-Eighth Session relating to the date of future annual sessions of the Governing Council;

Decides to amend Rule 2 of its Rules of Procedure to read:

### Rule 2

### Annual Session

> The Governing Council shall each year convene an annual session in the month of January of the succeeding financial year. If for any reason an annual session cannot be held in the month of January, the Executive Board shall decide upon a suitable alternate month. The President is responsible for fixing the precise dates for the Council sessions.

Authorises the President to incur obligations to make payments, if necessary, for normal operating expenditures which may arise between 1 January of each year and such time as the Governing Council approves the Budget of IFAD for that year, with amounts so used to be subsequently allocated against the appropriate items in the approved Budget of IFAD for that year.

## J. Environmental Sustainability and Rural Poverty Alleviation: Operational Issues for IFAD

20. The Governing Council considered document GC 13/L.12, a follow-up report to the "Progress Report on IFAD's Approach to Environment, Sustainable Development and the Role of the Small Farmers" (document GC 12/L.11) which was considered by the Council at its Twelfth Session in January 1989. After extensive deliberations, the Council, recognising the importance of the linkage between environment and development, approved the recommendations contained in document GC 13/L.12.

## CHAPTER 3

## A. SUMMARY RECORDS

### (i) Summary Record of the First Meeting of the Thirteenth Session held on Tuesday, 23 January 1990, at 10.00 a.m. in Rome, Italy

Chairman : Mr. MUKANDO (Zambia)
later : Mr. AL-GAUD (Libyan Arab Jamahiriya)

| | Paragraph |
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| Message from the President of the Federal Republic of Nigeria | 44 - 67 |
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11. The meeting was called to order at 10.05 a.m.

OPENING OF THE SESSION (agenda item 1)

22. The CHAIRMAN declared open the Thirteenth Session of the Governing Council.

ADOPTION OF THE AGENDA (agenda item 2) (GC 13/L.1/Rev.1)

23. The agenda (GC 13/L.1/Rev.1) was adopted.

ELECTION OF THE CHAIRMAN AND VICE-CHAIRMEN OF THE GOVERNING COUNCIL (agenda item 3)

24. The CHAIRMAN announced that, in accordance with Rule 12 of the Rules of Procedure, the Council had to elect a Bureau consisting of a Chairman and two Vice-Chairmen to serve for two years. He had been informed of the nomination of Mr. Abdul Majid Al-Gaud of the Libyan Arab Jamahiriya for the office of Chairman.

25. Mr. BROWN (United States) said that his country had not joined the consensus on the election of the new Chairman of the Council.

26. Mr. Al-Gaud (Libyan Arab Jamahiriya) was elected Chairman of the Governing Council.

27. The CHAIRMAN said that he had been informed of the nomination of Mr. Carlos de León Prera of Guatemala and Mr. Fritz Fischer of the Federal Republic of Germany for the offices of Vice-Chairmen.

28. Mr. de León Prera (Guatemala) and Mr. Fischer (Germany, F.R.) were elected Vice-Chairmen.

29. Mr. Al-Gaud (Libyan Arab Jamahiriya) took the Chair.

30. The CHAIRMAN expressed his appreciation of the high honour bestowed upon him.

31. The meeting was suspended at 10.20 a.m and resumed at 10.55 a.m.

32. Mr. Giulio Andreotti, President of the Council of Ministers of the Italian Republic, was conducted to his seat.

ADDRESS BY THE PRESIDENT OF THE COUNCIL OF MINISTERS OF THE ITALIAN REPUBLIC

33. Mr. JAZAIRY (President of the Fund), after welcoming Mr. Andreotti to the opening of the Thirteenth Session of the Governing Council, drew attention to the important role he had played in Italian politics and foreign relations since 1947, as well as to his advocacy of North-South dialogue and development cooperation. Mr. Andreotti's action in bringing together developed and developing nations was fully in accordance with Italy's historical vocation to promote dialogue and peace. He added that

in 1988, in a statement before the Council of Europe, the President of the Italian Council of Ministers had drawn attention to the need to build the future together.

34. The crucial role played by Italy in multilateral cooperation for rural development was highly appreciated. Rome had become the world's food and agriculture capital, with Italy among the most generous contributors to the replenishment of IFAD's resources and to the funding of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (Special Programme). He felt certain that, despite the new prospects opened up by the relaxation of East-West relations, Italy, under Mr. Andreotti's enlightened leadership, would reject any reduction in multilateral commitments to the rural poor of the Third World. IFAD was confident that it would succeed in achieving real progress in the struggle against rural poverty.

35. Mr. ANDREOTTI (President of the Council of Ministers of the Italian Republic) said that his presence at the opening of the Thirteenth Session of the Governing Council of IFAD underlined the Italian Government's attachment to the work of the Fund which, under the able leadership of its President, was helping to improve the living conditions of the poorest and most needy populations in developing countries. He expressed the hope that the Fund's activities would meet with even greater success in the future struggle against hunger, malnutrition and underdevelopment.

36. The role played by the United Nations in human, social and economic development of peoples in the so-called "Third World" was primordial and, together with its specialized agencies - especially IFAD - it was endeavouring to make the most of its past experience and of the encouraging prospects for the future.

37. The interdependence between the industrialized and developing worlds had to be seen in the light of ongoing global developments. The events that had taken place in 1989 aroused hopes for peace and for a greater awareness of such interdependence. The aim of diverting funds from the arms race to the struggle against hunger, poverty, disease and pollution was no longer Utopian but was becoming a real possibility. IFAD could be called upon to play a leading role in that connection; its strategies were similar to those of the Italian Government and of the major countries involved in international cooperation. Italy had participated actively in the Third Replenishment and its global contribution of 34.5 billion lire made it IFAD's fifth largest contributor. In 1989, it had made available 750 square metres of additional office space for IFAD pending the conclusion of the complex procedures connected with the Fund's new headquarters in Rome.

38. He reiterated Italy's support for the objectives it shared with IFAD: the elimination of hunger, disease, poverty and ignorance.

39. Mr. TCHICAYA (Congo), speaking on behalf of Category III countries, thanked Mr. Andreotti for his words of encouragement and hope. Category III countries had shown their attachment to the Fund by making exceptional efforts during the Third Replenishment and they were well aware of Italy's catalytic role in strengthening IFAD's action.

Mr. Andreotti's statement had underlined Italy's determination to pursue its efforts in favour of those most in need. He proposed that the statement should be issued in extenso as a working document of the Thirteenth Session.

40. Mr. AL-ATTIYAH (Qatar), taking the floor on behalf of Category II countries, welcomed Mr. Andreotti's reaffirmation of Italy's support for the Fund. Italy had always shown international solidarity and the renewal of its commitment would provide fresh impetus for IFAD's future work.

41. Mr. WARIN (France), speaking on behalf of Category I countries, noted that Mr. Andreotti had played an important role in development activities and in directing Italy's contribution towards solving Third World problems. There had been a significant increase in Italy's Official Development Assistance and Italy had made a sizeable contribution to the Third Replenishment. Mr. Andreotti's presence underlined his personal attachment to the Fund's work and would serve as a source of inspiration for discussions during the Thirteenth Session. He supported the proposal made by the representative of The Congo that Mr. Andreotti's statement should be issued as a working document.

42. The CHAIRMAN, speaking on behalf of all Members of IFAD, expressed his deep appreciation to the President of the Council of Ministers of the Italian Republic.

43. The President of the Council of Ministers of the Italian Republic withdrew.

MESSAGE FROM THE PRESIDENT OF THE FEDERAL REPUBLIC OF NIGERIA

44. His Excellency Vice-Admiral Augustus Aikhomu, Chief of General Staff of the Federal Republic of Nigeria, was conducted to his seat.

45. The CHAIRMAN welcomed Vice-Admiral Augustus Aikhomu, who would deliver a message from His Excellency General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria, who was unfortunately unable to attend the meeting owing to pressure of work.

46. Mr. JAZAIRY (President of the Fund) said that the presence of a leader from a member of the Organization of Petroleum Exporting Countries at the opening of the Thirteenth Session of the Governing Council was an honour for IFAD. It was significant not only because the population of Nigeria accounted for one-fifth of the entire population of Africa but also on account of the important role that Nigeria played in international affairs. Nigeria had been instrumental in establishing the African Development Bank, within which it had maintained the Nigerian Trust Fund for the support of less fortunate countries in the region. It was also a founding father of IFAD and a prime mover of the non-aligned nations' A.F.R.I.C.A. Fund for the support of the Front-Line States destabilized by the Republic of South Africa.

47. Despite temporary economic reverses, Nigeria had continued its policy of international cooperation. Nigeria's support for IFAD during negotiations for the Third Replenishment and its decision to maintain its

contribution at the same level had been a source of inspiration for others. A number of African and Caribbean countries had benefited from its Technical Assistance Corps Programme while its Government's courageous economic and social policies had won respect nationally and internationally.

48. IFAD's concerns were close to those of Nigeria: increased food production and the alleviation of rural poverty through assistance to small farmers and rural communities, especially women. In that connection, he wished to congratulate the Nigerian Government on launching the Directorate of Food, Roads and Rural Infrastructure, the Better-Life Programme for Women and the People's Bank for Small-Scale Enterprises. He requested Vice-Admiral Aikhomu to convey IFAD's gratitude and appreciation to the President of the Federal Republic of Nigeria for his keen interest in the Fund.

49. Vice-Admiral AIKHOMU (Chief of General Staff of the Federal Republic of Nigeria) expressed the greetings and best wishes of the President of the Federal Republic of Nigeria to the Governing Council. His own presence at the meeting was a token of Nigeria's deep commitment to IFAD and indicated its recognition of the unique role played by the Fund in the struggle against poverty, hunger and malnutrition in the Third World. IFAD's activities had always been targeted on the needs of the most disadvantaged in the rural areas of the developing world and reflected its realization that there could be no lasting peace in a world in which poverty and hunger coexisted with opulence. From the outset, the Fund had lived up to its mandate and he congratulated its founders, the President, the Governing Council, the Executive Board and the staff.

50. The world today was divided by appalling inequalities between rich and poor. There could be no social justice, and ultimately no peace, in a world in which 950 million people had less to eat than the basic requirement. World population was rising at an alarming pace and over 85% of projected population growth was expected to take place in the developing world which was already short of food supplies. Population growth must therefore be brought down to manageable proportions. For its part, Nigeria had adopted a policy which encouraged Nigerian women not to have more than four children.

51. Agricultural development was inseparable from overall economic development. It called for greater resources, more cooperation between nations at the bilateral and multilateral levels and for the rapid transfer of technology to small farmers. If man was capable of walking on the moon, surely he was capable of feeding the hungry.

52. The 1980s had been a particularly harsh decade for most developing countries, a period marked by protectionist policies denying the South access to the markets of the North. Was it not time for the current economic system to be replaced by a new order? In that regard, Nigeria attached great importance to the Uruguay Round of the negotiations proceeding under the General Agreement on Tariffs and Trade. The sharp drop in commodity prices during the 1980s had led one country after another to borrow heavily only to discover subsequently that the debt burden had become the greatest obstacle to their growth and development, leading to a net outflow of funds.

53. The effects of national economic problems on the poor probably constituted the most alarming experience of the 1980s. The number of people who did not have enough to eat was greater today than it had been a decade earlier. In Africa, infant and child mortality rates, which had declined during the 1960s and 1970s, had been rising again. The suffering of the poor had not been alleviated. Ironically, it had been the resilience of the small farmers of Africa that had ensured national survival in previous times of crisis, for in many African countries they accounted for 40% or more of Gross Domestic Product and up to 90% of food crops. With comparatively little assistance in the way of technology and support services, their productivity could be increased considerably.

54. Before the 1960s, Nigerian smallholders had produced sufficient food for the population, raw materials for industry, foreign exchange for the Government and employment opportunities for the labour force. Recognizing anew the importance of their role in the economy, the Government had given priority to developing the rural sector. The Integrated Agricultural Development Programmes being implemented throughout the country were focused on small farmers and now constituted the bulwark of governmental strategy for agricultural development. A Directorate of Food, Roads and Rural Infrastructures had recently been set up to hasten the pace of rural development and to improve the quality of life in rural areas. Reliance on small farmers had paid off and the country might well be on the path to full recovery if the present momentum were maintained.

55. Special recognition and priority must be given to the needs of women farmers. His Government therefore fully supported the Plan of Action for the Integration of Women in Development drawn up by the Food and Agriculture Organization of the United Nations (FAO) and had taken steps to integrate women into the various levels of national development. Women had been appointed to key decision-making positions. A special programme for rural women had been launched and several centres and departments were concentrating on improving the status of women by giving them access to the same services and information as were available to men.

56. Nigeria recognized the valuable role played by IFAD in bringing assistance to rural communities through programmes designed to alleviate hunger and poverty. Its spirit must live on. He particularly welcomed the commitment of over US$ 1 billion to Africa's smallholder sector since 1978, of which some 80% had been on highly concessional terms. He also appreciated the quality of IFAD's projects and its efforts to find the best means of increasing food production. IFAD had, perhaps, been the first to respond to Africa's economic crisis. In that connection, the Special Programme was of particular importance and should be consolidated and extended. He therefore urged that the President should be supported in his efforts to mobilize additional resources in order to continue the Special Programme and called on Category I countries to show the same generosity as in the past. He also drew attention to IFAD's efforts to broaden and reorient the approach to structural adjustment.

57. The environment was humanity's common heritage. Global warming was of concern to all low-lying countries likely to be submerged in the event of a substantial rise in sea level. The dumping of toxic waste in

the developing countries was intolerable. The pollution of lakes, rivers, seas and the soil was hazardous to life, as was acid rain. Desertification and drought, soil erosion, over-grazing and deforestation also constituted serious problems. Nigeria had spent large amounts to fight desert encroachment and wished to appeal to the international community to assist sub-Saharan Africa in tackling that problem effectively. Urgent international action was required to implement the Prior Informed Consent Clause of the Code of Conduct for Distribution and Use of Pesticides advocated by FAO. Nigeria had taken steps to give legal backing to that effort.

58. Some way of helping small farmers to make the investments required to protect the environment must be found. Such investments were needed to prevent the ecological balance of the planet from being further jeopardized. It would be desirable to set up an environmental fund offering especially favourable terms or even outright grants for that purpose. Growth could not be sustained if the environment were irreparably damaged. IFAD would seem to be a natural channel for such resources.

59. Contributions to IFAD were made by its Members on a voluntary basis and all groups had undoubtedly played their part in building up the Fund. Its unique structure embodied North-South as well as South-South cooperation and solidarity. The industrialized countries needed to show greater support for the Fund. For their part, the non-aligned and other developing nations had more than lived up to their responsibilities. At their recent meeting in Belgrade, the Heads of States or Governments of the non-aligned countries had invited all donors to make efforts to ensure that the amount of the Third Replenishment was achieved at the maximum possible level.

60. It was up to all Member States to provide IFAD with the resources it needed to use its potential for alleviating hunger and poverty. For its part, Nigeria would continue to do so. In spite of current constraints, it had decided to maintain its contribution to the Third Replenishment at US$ 10 million. He recalled that it had made an initial contribution of US$ 26 million. The Fund represented the finest example of what could be achieved when international multilateral assistance was channelled towards noble goals. He therefore called on all concerned to support the Fund financially and morally so that the spectres of poverty, hunger and malnutrition might become a thing of the past and a healthier environmental balance might be struck.

61. Ms. DRAMDAL (Norway), speaking on behalf of Category I countries, expressed her appreciation of the message from the President of the Federal Republic of Nigeria, which fully reflected that country's long-standing commitment to policies in favour of economic and social development. She complimented the Nigerian authorities on the special attention they gave to the role of women in development, an increasingly important feature in the work of IFAD and other international organizations.

62. Mr. DE MEDICIS (Brazil), speaking on behalf of Category III countries and as Chairman of the Group of 77 in Rome, said that Nigeria spoke with the voice of the African people, who, like those of the Third World in general, saw a bleak future contrasting sharply with the optimism of the developed world. Most regrettably, little had been done during the past decade to reduce the widening gap between the developed countries and the Third World, the inevitable outcome of a system whereby stability and prosperity in the North were sustained by capital and low-priced exports from the South. A hostile international economic environment had defeated the significant efforts made by the developing countries to create the conditions for sustained growth.

63. Against that background, he was encouraged by IFAD's work for the alleviation of rural poverty and its concentration on the Special Programme. The history of the Fund showed what could be achieved by the joint efforts of the international community on behalf of the rural populations most in need of support. He hoped that, with the new decade, there would be a meaningful gesture on the part of the rich countries towards IFAD and its commitment to the rural poor. He thanked Vice-Admiral Aikhomu for addressing the meeting and asked him to convey best wishes to the President of the Federal Republic of Nigeria.

64. Ms. FERMIN GOMEZ (Venezuela), speaking on behalf of Category II countries, expressed her thanks for the encouraging message from the President of the Federal Republic of Nigeria and applauded the confidence it showed in the new international economic order which could contribute to wiping out the injustices suffered by the developing countries.

65. Nigeria was to be praised for its encouragement of integrated rural development and South-South cooperation as well as its introduction of strategies for women's development. She also welcomed Nigeria's environmental protection policies, particularly its support of the Code of Conduct for Distribution and Use of Pesticides, since environmental protection was a matter of worldwide concern. It was gratifying to note Nigeria's support for the maintenance of the Fund's basic structures, which, with their unique character, had amply proved their worth.

66. The CHAIRMAN, speaking on behalf of all Members of IFAD, thanked the President of the Federal Republic of Nigeria for his inspiring message.

67. Vice-Admiral Aikhomu, Chief of General Staff of the Federal Republic of Nigeria, withdrew.

## APPLICATIONS FOR NON-ORIGINAL MEMBERSHIP (agenda item 4) (GC 13/L.2)

68. The CHAIRMAN invited the Council to adopt the draft resolution in document GC 13/L.2 and thus admit the Federation of Malaysia and the Union of Myanmar to non-original membership of the Fund in Category III.

69. Resolution 57/XIII was adopted by acclamation.

70. The CHAIRMAN extended a warm welcome to the new Members.

71. Mr. TOE (Myanmar) expressed his appreciation to the Council for its sympathetic consideration of his country's application for membership, made desirable by unprecedented changes in Myanmar where agriculture occupied a dominant economic position and foreign exchange earnings were heavily dependent on agricultural exports. Unremitting efforts to boost agricultural production were thus warranted and priority plans called for expansion by reclamation and the opening up of new land. Massive investment in agriculture was needed and he hoped that his country would be able to use IFAD resources to bring economic and social development to the countryside. He pledged his country's unfailing support for and cooperation with the Fund.

72. Mr. MUNIP (Malaysia) expressed his deep appreciation to the Council for approving his country's application for membership. An ardent supporter of South-South solidarity and North-South dialogue, his country wished to play a role commensurate with its resources in the important sphere of international cooperation for agricultural development. By joining IFAD it hoped to further expand its participation in the work of the United Nations system. He pledged his country's full support for and cooperation with the Fund.

73. The meeting rose at 1.15 p.m.

## (ii) Summary Record of the Second Meeting of the Thirteenth Session held on Tuesday, 23 January 1990, at 3.00 p.m. in Rome, Italy

Chairman : Mr. AL-GAUD (Libyan Arab Jamahiriya)
later : Mr. de LEON PRERA (Guatemala)

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74. The meeting was called to order at 3.25 p.m.

STATEMENT OF THE PRESIDENT OF IFAD (agenda item 5)

75. Mr. JAZAIRY (President of the Fund) welcomed participants to the Thirteenth Session of the Governing Council. He expressed his appreciation of the statements made at the opening meeting by the President of the Council of Ministers of the Italian Republic and by the Chief of General Staff of the Federal Republic of Nigeria on behalf of General Ibrahim Badamasi Babangida, President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria.

76. The applications of Malaysia and Myanmar to become non-original members of IFAD and the presence at the session of Bulgaria as Observer were a welcome response to the appeal for greater universality in the Fund's membership which he had made at the previous session. It was to be hoped that process would continue.

77. At the start of a new decade he looked to the Council for guidance on how the Fund could make a greater impact on world hunger by supporting national strategies for the alleviation of rural poverty. Fresh ideas were needed in order to make the best possible use of internal and external resources; in particular the creative talents of the poor themselves had to be mobilized more effectively. The 1980s had been an exceptionally trying decade for many developing countries and especially for their most vulnerable population groups. Interest rates had risen to historic highs while commodity prices had fallen to historic lows. The ensuing series of economic and debt crises had entailed painful structural adjustment measures - difficulties which had been compounded by environmental and natural disasters.

78. The international development community's growing concern with poverty alleviation was an encouraging pointer for the future. Development work must of course come to terms with the changes taking place in the world geopolitical climate; they could adversely affect resource allocation for development in the South, but on the other hand they could open up new possibilities of increased aid flows if the "right to food" was given priority over other claims for resources released through reductions in military expenditure.

79. In 1989 the Fund had consolidated the upward trend in its level of lending which had been evident in 1987 and 1988. Its operations had become more specific and that would continue to be its aim. A total of 23 investment projects and 32 technical assistance grants had been approved, amounting to the equivalent of US$ 273 million, which represented a 12% increase over the preceding year. Of the 23 projects approved by the Executive Board, 21 had been IFAD-initiated. Cofinancing of IFAD-initiated projects had quadrupled from US$ 47 million in 1988 to US$ 187 million in 1989. In order to meet rising expectations, the Fund was taking special care to ensure that project specificity, as defined at the design stage, was faithfully reflected in implementation.

80. The Programme of Work and Budget for 1990 had been formulated in the light of the need for IFAD to initiate an increasing share of its projects. Provisions had accordingly been included in the budget to strengthen participation by the Fund in project appraisal and supervision

while continuing to save on administrative expenses. Savings had been achieved despite the fact that the amounts charged for project appraisal and supervision by cooperating institutions had sharply increased as from 1990. In real terms, therefore, the combined total of the 1990 budget and the approved expenditure for the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification was still below that approved by the Governing Council for 1989. The Fund would nevertheless seek to increase its loan and grant commitments to a figure 25% higher than in the previous year. It was studying ways in which it could play a more active role in project appraisal and supervision without incurring additional costs. He intended to submit a report on that subject to the Executive Board and to the Governing Council at its next session.

81. The issue of targeting those who were to benefit from IFAD projects was crucial. While giving priority attention to specifically disadvantaged groups wherever possible, the Fund, being an international financial institution, had to ensure that its loans were used to finance cost-effective projects. That called for a five-fold approach.

82. First, the Fund should continue to aim at promoting innovative methods of participation by vulnerable target groups. Non-governmental organizations could play an important role in that regard. Participation should be fostered at the level of the farm, the village or the larger community, individual participation at all three levels being promoted through a sound framework of incentives.

83. Second, efforts should be made to reconcile poverty alleviation with environmental preservation by defining more closely the environmental effects of rural development and incorporating them in project analysis. That was essentially a matter of funding rather than of project design.

84. Third, where landlessness and the fragility of the resource base so required, off-farm employment should be promoted through the development of micro-enterprises. The dynamic and pluralistic nature of the rural economy made that a promising area for IFAD's action; moreover, micro-enterprises offered considerable scope for employing women in a prominent role.

85. Fourth, added attention should be given to credit delivery systems. The linkage between informal group credit arrangements and formal banking institutions should be strengthened. Efforts to promote credit institutions for the poor would of course prove self-defeating unless those institutions could be helped to ensure an adequate rate of recovery and unless quick corrective action could be taken if recovery fell below an acceptable level. Savings mobilization also had to be taken into account in the Fund's projects.

86. Fifth, the positive bias towards women already evident in IFAD's work should be strengthened. The Fund should continue its efforts to bring women into the mainstream of credit and savings activities. A predetermined share of loan funds could be set aside for women and specially designed technologies be developed for them. Reporting systems highlighting gender analysis should receive greater support. More women - locally recruited if possible - should be involved in project design

and implementation. In regard to assurances in loan agreements, article 14 of the United Nations Convention on the Prevention of Discrimination Against Women might be invoked to ensure equitable treatment of women in all aspects of development in countries which had ratified the Convention. The concerns of poor rural women should be addressed within the context of the community as a whole.

87. Turning to the question of streamlining the Fund's operations, he said that a generous grant from the Government of Canada would enable a study of the Fund's organization, including a review of workloads and of the most efficient use of staff, to be carried out in 1990. However, IFAD could only achieve in the future what its financial resources would permit. Although the Third Replenishment exceeded the amount in core resources pledged for the Second Replenishment, it was substantially below the US$ 750 million mobilized during that period if the Special Programme was included.

88. With regard to the future financing of the Fund's operations, he said that the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure had held an informal meeting the previous day and would meet in formal session shortly. It would discuss outstanding issues and new ideas for ensuring greater predictability in funding, as well as ways of enhancing the Fund's self-supporting character. He believed those aims should be pursued in a manner which preserved its unique combination of equitable representation and North-South and South-South cooperation.

89. The many problems which would continue to face the Fund in the 1990s included the decline in incomes and per capita food output in sub-Saharan Africa and the link between poverty and environmental degradation. As to the first, he took the view that the Special Programme should be extended into a second phase during which increased attention would be given to micro-enterprise development as a way of dealing with rising unemployment and of releasing pressure on fragile lands. With regard to the second, efforts should be made to find ways of providing additional grant or concessional funding to finance selected environmental components which could not readily be reconciled with conventional cost-benefit analysis.

90. The Fund cooperated closely with the other international financial institutions and with its sister agencies in Rome. That prompted him to suggest that the heads of the United Nations food agencies might perhaps come together in one forum to commemorate World Food Day under the auspices of the Food and Agriculture Organization of the United Nations; and that, as another symbol of harmony, the tradition might be established that the head of each food agency addressed the governing bodies of the other agencies on the first day of their sessions.

91. He expressed deep appreciation to the Italian Government for the facilities and valuable assistance it provided to the Fund. However, the long-standing problem of IFAD's permanent headquarters remained unresolved and the Council might therefore wish to review that very pressing issue once again.

## MESSAGE FROM THE SECRETARY-GENERAL OF THE UNITED NATIONS

92. Mr. TRANT (Executive Director, World Food Council) transmitted to the Governing Council the greetings of the Secretary-General of the United Nations and of the President and Bureau of the World Food Council. He said that although significant progress had been achieved in the cause of peace since the previous session of the Governing Council, certain aspects of the world social and economic situation gave rise to deep concern and called for more effective action. He paid special tribute to IFAD for its contribution to international development cooperation in food and agriculture as well as to the common endeavour to combat poverty, hunger and malnutrition. The elimination of those ills had to be made a central objective of national policies. Support for changes in social and cultural policies and for economic reforms, employment, judicious population policies and comprehensive food strategies was essential.

93. In that context the Fund had acted pragmatically, launching innovative rural development programmes for the rural poor, promoting employment in rural off-farm activities and fostering targeted intervention and development assistance designed to integrate women into the development process. IFAD had enhanced people's participation in their own development and had helped to release the creative energies of millions of human beings in shaping a better future for themselves and their community. His organization congratulated the Fund on the important role it was playing in efforts to wipe out hunger and poverty. IFAD had been both effective and efficient in meeting its responsibilities.

94. In 1990 the United Nations General Assembly was expected to convene a special session for the purpose of adopting a new framework for international economic cooperation aimed particularly at revitalizing the economic growth of the developing countries. Work was also under way for the preparation of a new International Development Strategy for the 1990s. It was gratifying to note that food and agriculture, as well as the eradication of poverty and hunger, had been identified as priority areas in the elaboration of the new strategy. IFAD and the other food organizations had an important contribution to make in both those areas.

95. The World Food Council was pleased that agreement had been reached on the Third Replenishment of the Fund, for it symbolized general acceptance of the great importance of international cooperation in a vital area. His organization sincerely hoped that the world community, and particularly the developed countries, would expand their support for IFAD. It firmly believed that multilateralism would continue to be an effective mechanism for combating poverty and hunger.

## STATEMENT BY THE DEPUTY EXECUTIVE DIRECTOR OF THE WORLD FOOD PROGRAMME

96. Mr. AHMED (Deputy Executive Director, World Food Programme) conveyed to the Governing Council the good wishes of the Executive Director and stressed the close relationship between IFAD and his own organization. As a sister agency the Programme felt proud of the Fund's achievements in pursuit of their common objective. The guiding principles of the new International Development Strategy referred to by

the previous speaker were accelerated economic growth, human resource development, a substantial reduction in hunger and deprivation, and the protection of natural resources. Those areas would offer further tremendous scope for cooperation between the two organizations.

97. The Programme and the Fund were at present working together on 13 projects in 12 countries. After citing examples of joint projects in Bolivia, The Gambia, India, Mali, Mauritania, The Niger and Rwanda, he said that the collaboration between the two organizations should also be seen in the wider context of the United Nations system. Both were members of the Joint Consultative Group on Policy, a body whose membership included the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), and the United Nations Fund for Population Activities (UNFPA). Its purpose was to ensure greater practical coordination of assistance programmes with national development strategies for the benefit of the world's poor.

GENERAL STATEMENTS (agenda item 6)

98. Ms. DRAMDAL (Norway), speaking on behalf of the Nordic countries in IFAD, said that developments at present taking place in Central and Eastern Europe, welcome as they were, should not obscure the fact that economic disparities between the North and the South continued to increase. The economic situation of many developing countries, especially in Africa, was worse at the end of the Third United Nations Development Decade than it had been at the beginning. Concerted efforts were needed at both the national and international levels in order to address that situation. The Nordic countries therefore considered that their assistance to developing countries should remain at a high level. They were convinced of IFAD's important role in increasing agricultural production and ensuring more equal food distribution. The Fund had demonstrated its ability to support high-risk groups such as small farmers, landless peasants and women. Its efforts to mobilize the poor and use their productive potential should be an example to other organizations.

99. Poverty among women in developing countries was greatly on the increase. The Nordic countries appreciated the increasing attention IFAD had given to the role of women in the development process by supporting their participation in society. That attitude ought to be a crucial element in the planning of the Fund's future operations. With regard to the previous years' achievements, the Nordic countries were pleased to note that IFAD had launched a special Women in Development Programme and that a technical adviser had been recruited for it. They advocated the development of a strategy whereby women and their needs could be integrated systematically in all relevant activities of the Fund. The Nordic countries looked forward to participating in a dialogue with IFAD on that subject.

100. Given the needs of the developing countries, the Nordic countries viewed the results of the Third Replenishment with some disappointment. In particular they were concerned that the unique structure of IFAD and its financial basis seemed increasingly difficult to maintain. They highly appreciated the voluntary contributions made by the developing countries, which they regarded as an indication of the latters' increasing involvement with the Fund and acceptance of its approach to development. All the same, the outcome of the Third Replenishment

negotiations raised questions as to how best to ensure a stable financial basis for IFAD. The Nordic countries therefore supported the initiative taken in the High-level Intergovernmental Committee to continue discussions on the Fund's future structure and function.

101. Another important question was the Fund's operational guidelines for environmental sustainability and poverty alleviation. The report prepared for the present session (GC 13/L.12) showed that IFAD had made major efforts to integrate environmental aspects in its activities. The Nordic countries appreciated its work on developing a strategy for future operations that would counteract ecological degradation affecting the poor in developing countries. Strategies concerning environmental issues should of course be seen in relation to discussions in other international organizations and in the general context of the 1992 Conference on Environment and Development. Proposals to develop permanent mechanisms for making net additional funds available for environmental projects on concessional terms or as grants required further clarification.

102. She expressed appreciation of the high professional skill and dedication of the Fund's staff and management and gave an assurance of the Nordic countries' continuing firm support for IFAD in the 1990s.

103. Mr. de León Prera (Guatemala) took the Chair.

104. Mr. KAYALAR (Turkey) welcomed Myanmar and Malaysia to membership in IFAD. He said that, in contrast with sustained economic growth in the industrialized countries in the 1980s, that decade had been a lost one for most developing countries in their development efforts. In an increasingly interdependent world, international cooperation must be improved and strengthened so as to build a global system within which all countries could achieve their agricultural development objectives. While timely support by the industrialized world was important, developing countries should recognize that they must make the necessary efforts to that end as well.

105. In 1989 the effects of severe drought in Turkey, resulting in a 6% overall decline in agricultural production, had been alleviated by prompt measures to postpone farmers' debts, provide seed assistance and import cereals. Since water was the most important input to agricultural development, his Government attached great importance to the timely completion of the South East Anatolia Project, a vast irrigation scheme which would have a positive impact on the food security of the Near East region.

106. The successful outcome of the Third Replenishment was an important step in strengthening international cooperation and assuring the future of IFAD. The support which IFAD had received from all Member States, including the significant contributions in convertible currency made by the majority of the Category III countries, was a token of general recognition of the specific nature of the Fund's objectives and its successful record. His delegation believed that the Fund must be placed on a stable financial basis and it therefore welcomed the resumption of the deliberations of the High-level Intergovernmental Committee.

107. IFAD was entering the next decade with expectations of further growth. His Government therefore approved the proposed increase, modest though it was, in the Programme of Work for 1990. It also supported the idea of greater specificity in IFAD's operations and welcomed the proposed procedures for involving the Fund more directly in project identification, preparation, appraisal and supervision. That would make for greater long-term cost-effectiveness, accelerated implementation and heightened impact. The proposal to maintain a zero growth budget was a wise one in the context of present discussions in other United Nations agencies.

108. He was pleased to see that the target for the Special Programme had nearly been reached and that assistance to sub-Saharan Africa from IFAD's regular programme had been maintained at a satisfactory level. His Government thought it appropriate to explore the possibility of extending the Special Programme for a further period.

109. The Fund's specific objectives gave it an important role to play in environmental protection. It was to be commended for its policy of taking environmental concerns into account in project implementation. He supported the proposals to consider ways of addressing the relationship between environmental sustainability and rural poverty alleviation and their financial implications.

110. His country had always maintained excellent relations with the Fund and it pledged its continuing cooperation with it. His Government sincerely intended to host the next session of the Governing Council in Turkey and preparatory work for that was now in progress.

111. Mr. TESHIMA (Japan) welcomed Malaysia and Myanmar as Members of IFAD. Commending the Fund's activities, and especially its assistance to poor farmers and small-scale fishermen, he said that in order to assist target groups more effectively IFAD should broaden the participation of local people, including women, in project planning and implementation. He paid tribute to the Fund's initiatives and urged it to do more in the field of participatory development.

112. He was gratified that the negotiations on the Third Replenishment had been concluded in a spirit of cooperation. He expressed particular appreciation of the action taken by Category III countries in pledging convertible currency contributions in amounts exceeding those pledged in previous replenishments, and of the response by Category I countries to that gesture. With its financial basis thus strengthened, the Fund would be able to play an even more constructive role than before in helping the agricultural development of the developing countries. It must be remembered, however, that the original replenishment target had not been met. IFAD should pay full attention to ensuring the most efficient use of available resources. Coordinated financing with other international financial institutions such as the World Bank and bilateral donors must continue to be promoted. He hoped for substantive discussion of the restructuring of IFAD on the basis of the agreement reached in the Governing Council when the Twelfth Session had been reconvened.

113. Given the importance of the environment as a resource for economic development, Japan appreciated IFAD's report on environmental sustainability and hoped that the Fund would contribute to sustainable

development through cooperation with Member States and international organizations, taking advantage of its unique role in agricultural development. His Government intended to reinforce environmental assessment in implementing development assistance and to help the developing countries in their environmental protection efforts. Japan's bilateral and multilateral assistance in the field of the environment would be expanded to a planned total of 300 billion yen over a three-year period as from the 1989 fiscal year. It placed particular emphasis on tropical forest protection and research and on enhancing developing countries' ability to deal with environmental issues. In conclusion, he expressed his Government's willingness to continue to cooperate with IFAD.

114. Mr. AL-HUMAIDHI (Kuwait) said that the outcome of the negotiations on the Third Replenishment was a welcome achievement; it had demonstrated the ability of the three Categories of Members to work together in a spirit of cooperation. The resources of the Fund had been brought up to a satisfactory level even if the original target had not been met. The Fund had emerged strong from the negotiations. Kuwait and other Category II countries, expressing a special understanding of IFAD's nature, activities and objectives, made an additional effort within the framework of present cooperation among IFAD's categories of membership, and despite the difficulties Kuwait and other Category II countries faced as a result of the deterioration in oil prices - a commodity on which these countries depend. Category III also played a positive and concrete role in pledging increased contributions from a number of its Member Countries, which acted as an incentive for Category I to match these increased contributions by a multiplier of 3:1.

115. Regarding the Fund's activities in the 1990s, he said that the economic situation was becoming increasingly serious in the developing countries, in many of which agriculture was the main economic activity. That placed an additional responsibility on IFAD to help those countries, and especially the Fund's target group among their populations, to face that critical situation and the structural adjustment measures taken to alleviate it. Those countries' development efforts required increased support, particularly in order to solve the problem of indebtedness. The Emir of Kuwait had proposed an initiative in that regard both to the United Nations General Assembly in 1988 and to the meeting of Non-Aligned Countries in Belgrade in September 1989. In addition to the desire for a solution to the debt crisis and structural adjustment policies, development efforts made by developing countries require that industrialised countries, for their part, adopt balanced economic policies and increase their efforts in order to provide more concessional assistance to developing countries.

116. Human resources development was another very important requirement, calling for appropriate project design to facilitate local self-support activities and guarantee long-term implementation through the use of local expertise.

117. Mr. BROWN (United States) said that the sweeping changes occurring in the world were characterized in many cases by a greater focus on the individual and the enterprise as the future productive elements of the economy. The advantages of greater reliance on entrepreneurial energies and the private sector to achieve sustainable development and reduce poverty might run counter to what had been basic thinking in the developing world until very recently, but they outweighed the

disadvantages. He urged the Fund to adopt a more systematic approach to the prospects offered by private enterprise and to assist developing countries in moving away from State-dependent methods of assistance, to more competitive and sustainable people-based action. A solution to a problem which depended on continued donor financing was not a real solution. Moreover, dwindling public sector resources could not finance new recurrent costs. He hoped for enlightenment from the Secretariat at the next session of the Governing Council on measures taken or being explored in that regard.

118. Another matter in which IFAD had a potentially important role to play was the growing global drug epidemic. The Fund's experience in rural agriculture, people's participation, crop diversification and crop substitution placed it in a position to develop innovative methods of dealing with the drug problem.

119. He was gratified at the outcome of the negotiations on the Third Replenishment, to which his country had pledged an amount equal to about two thirds of the total amount pledged by Category II, and at the singular efforts made by Category II and Category III countries to support the Fund. He felt, however, that the time consumed by the negotiations would have been more usefully spent on strengthening IFAD's programme. In any case the future level and source of IFAD's resources remained uncertain.

120. His Government intended to participate actively in the work of the High-level Intergovernmental Committee. Views might be exchanged at its first session on IFAD's future role and priorities in the development process, likely areas of expansion and how to show donors and recipients the path to effective development programmes. With regard to future funding, the prospects for the continuation of the original agreement between the three Categories of the membership must be ascertained. The time had come for proposals on funding matters put forward at previous Committee meetings to be reviewed.

121. He agreed that the content of IFAD's programme should be sharply focused on developing innovative, cost-effective approaches. The Fund should work to enlarge resource flows to its target group from other sources, and would best do so by producing the high quality product for which it was well respected. Cooperating institutions were important components of the delivery system as a whole, although he appreciated the difficulties IFAD faced in working with and through such institutions and its desire to take on broader programme responsibilities. IFAD's functional and programme specialization had strong merits, however, and assuming new tasks involved potential institutional costs. He therefore welcomed the proposed study on IFAD's organization and staffing requirements.

122. He commended IFAD's work on the environment and sustainable development. Environmental considerations must be integrated fully and effectively in the design and implementation of both projects and lending operations.

123. Monitoring and evaluation must be pragmatic activities and receive high priority. Analysis of earlier programmes must be incorporated into the design and development of new projects.

124. Having always firmly supported greater recognition of the role of women in development, his Government was pleased to join in the funding of an IFAD adviser on that subject and advocated enhanced staff awareness of women-in-development concerns through staff training. He commended IFAD's leadership in utilizing non-governmental organizations to strengthen participation and improve group activities; small pilot activities would prove rewarding for future IFAD projects. In conclusion, he said that the unstinting efforts of the Fund's staff and management had a tangible impact on the lives of the least privileged.

125. Mr. CHEN (China) welcomed Myanmar and Malaysia to IFAD. He said that the Fund was meeting at the beginning of a new decade in the context of a threat to world food security caused by declining cereal stocks and of harsh economic conditions for the developing world which affected global prosperity. There was an urgent need for increased North-South dialogue and the establishment of a rational new international economic order through international cooperation. Only when the developed countries in particular adopted practical measures conducive to steady and sustained development could any improvement in the current world economic situation be expected. China was determined to forge ahead along the socialist road while continuing to make its contribution to improving the world economy.

126. It was regrettable that, despite the protracted negotiations on the Third Replenishment, the planned target of US$ 750 million had not been reached. His delegation nevertheless appreciated the cooperative attitude which the members of the various Categories had adopted to the replenishment question. The developing countries had made unprecedented efforts to help the Fund and had actively participated in the replenishment negotiations in a common cause. China appealed to all Governments to abide by the original funding agreement so that the planned target would soon be met. Since hunger, malnutrition and poverty continued to pose a threat to mankind, IFAD had to do more to identify practical solutions to the problem of its financial situation. He therefore welcomed the resumption of the meetings of the High-level Intergovernmental Committee as a means of seeking common ground whereby the Fund's future financial capacity could be strengthened, its role maintained and its activities expanded.

127. China endorsed the Audited Financial Statements of IFAD for 1988, the Programme of Work and Budget for 1990 and the Progress Report on the Special Programme for Sub-Saharan Countries Affected by Drought and Desertification for 1989. It hoped that IFAD would continue to use its limited resources to help the low-income food-deficit countries and especially the rural poor. He urged countries which had not paid their pledged contributions to the Fund to do so as soon as possible.

128. IFAD's attention to the environment in recent years in cooperation with other international agencies was a welcome development. He hoped that it would continue to support integrated development, with an emphasis on social and economic benefits and due regard for environmental protection.

129. China had always placed a high premium on international cooperation and would continue to pledge its political, moral and financial support to the Fund. His Government had decided to contribute US$ 8 million to the Third Replenishment. It was grateful for the substantial assistance it had received from IFAD in the form of rural projects.

130. Mr. ACHARD (France) said that the position of IFAD had been consolidated since the previous session of its Governing Council, when its very existence had seemed in doubt. Although the target set for the Third Replenishment had not been met, the Fund had emerged strengthened from the negotiations and from the constructive spirit in which they had been conducted. Another positive result, which must be turned to account, was that they had shed light on some of the Fund's strengths and weaknesses. His Government was resolved to cooperate with all Member States to consolidate and improve the Fund, whose merits were widely recognized.

131. The negotiations on the Third Replenishment had on the whole ended positively, the level being the same as for the Second Replenishment if the Special Programme for Sub-Saharan Africa was included. As a result, IFAD could continue its activities at their current rate for three or four years. The success of the negotiations had largely been due to the substantial and unprecedented financial effort made by the countries in Category III; his own country had advocated an exceptional effort on the part of the countries in Category I, which had decided to make an additional contribution three times as large as that of the developing countries. That was proof of solidarity.

132. Though several countries in Category II had had difficulties in meeting their financial commitments, that was not due to any basic disaffection for the Fund. The proposal by Qatar to host a forthcoming Executive Board meeting was just one example of the attachment of the Gulf countries to IFAD. Thought should be given to finding solutions to the problems of such countries, either within the traditional framework or by a development of structures.

133. The financial structure and the organization of IFAD could now be considered in a less dramatic context. The constitution of the Fund might be modified but its specific character, with its three groups of Members, one of which comprised the petroleum-producing countries, must be retained. The High-level Intergovernmental Committee should resume its work, perhaps in the summer of 1990. Since the Committee had made a decisive contribution to the success of the negotiations for the Third Replenishment, it was reasonable that it should prepare the basis for the Fourth Replenishment. The Committee's mandate should be agreed among Member States. No drastic reform of IFAD was necessary - it was merely necessary to continue the pragmatic and evolutionary process that had so far enabled it to overcome its difficulties. The multiplier mechanism should be retained and perhaps extended as a means of ensuring the flow of necessary resources, either on a statutory basis for the petroleum-producing countries or on a voluntary basis for the developing countries.

134. IFAD was an active organization concerned with raising the living standards of the poorest of the poor. As such, it was aware of the interdependence of rural problems in the areas of health, education, training and credit. It should also support population policies. He fully agreed with the five priorities outlined by the President of the Fund. It must also improve its evaluation capacity, for which reason the establishment of the Evaluation Committee was to be welcomed. The Fund

should adapt its activities to new priorities, for instance environmental considerations. His country was giving priority to environmental matters in its international activities and would be happy to collaborate with IFAD in that field.

135. In view of the importance of coordination, France would take every opportunity of cooperating with IFAD in the financing and follow-up of projects and in placing human resources at the Fund's disposal. In a period of political upheaval, IFAD should clearly affirm the important mission that had been assigned to it by the international community.

136. Mr. BENDAOUD (Algeria) welcomed Malaysia and Myanmar as new Members of the Fund.

137. The Programme of Work and Budget of IFAD revealed the close relationship between agriculture, nutrition and the efforts of the Third World countries to overcome backwardness, hunger and poverty. The problem of drought in Africa had become less serious, but over-optimism would be out of place in view of problems such as the debt burden, the unfair system of international trade and the paucity of economic resources. It was necessary to put an end to national selfishness. Only multilateral action could help the developing countries; that required solidarity, brotherhood, peace and radical reform.

138. Algeria was introducing very important reforms in its agriculture and was encouraging investment in that area and participation by farmers in bearing responsibility for agricultural success. While investment had to be looked at from the point of view of the consumer, producers needed more favourable terms of trade, and cooperatives were an appropriate instrument for that purpose. He congratulated IFAD on the action it had taken with regard to the locust plague. His country intended to negotiate with the Food and Agriculture Organization of the United Nations (FAO) regarding measures to combat the screw-worm. Since the effects of the world economic crisis were more serious in Africa than anywhere else, the Special Programme for Sub-Saharan Africa should be expanded as broadly as possible.

139. Algeria was greatly concerned at the deterioration of the environment and attached great hopes to the forthcoming United Nations conference on that subject. A major difficulty faced by the developing countries in that area was to obtain financial resources for programmes. In view of the prevailing conditions for international lending, he advocated the establishment of an international fund for the protection of the environment.

140. He expressed his approval of the Fund's programme of work. His country would continue to support the efforts of IFAD's President to secure resources that would enable the Fund fully to discharge its responsibilities.

141. Mr. GIOVANNINI (Switzerland) said that the Third Replenishment had been delayed and that its level was below what Member States had hoped. It had been brought about by an exceptional procedure that should not be repeated; a more permanent formula must be worked out in time for the beginning of negotiations on the Fourth Replenishment.

142. The course of action preferred by the Swiss authorities would be a simple and limited restructuring exercise comprising four measures. The first would be the abandonment of the fixed relationship between the contributions of the OPEC and the OECD countries, which had caused the downward spiral of contributions. The second would entail combining the seats and voting rights of Categories I and II on the Executive Board and redistributing them according to the accumulated contributions of each Category I and Category II country. The third element was that the current voting rights and seats of Category III countries on the Executive Board would be maintained. Fourthly, the practice of negotiating resource replenishments, as in other international financing institutions, would be retained, deliberately avoiding the development of a system of purely voluntary contributions.

143. It ought to be possible to formulate such a structural modification at a single meeting of the High-level Intergovernmental Committee, for study and possible approval at the next session of the Governing Council. The purpose of the restructuring would be to avoid wasting time and money on protracted negotiations and to reach replenishment levels of the order of US$ 1 billion, which among other things would satisfy the needs catered for by the Special Programme for Sub-Saharan Africa. Switzerland opposed the proliferation of "financing windows", which complicated administration without increasing public development assistance. Donor countries that wished to make special gestures for the benefit of sub-Saharan Africa or the environment could cofinance appropriate IFAD projects. It would be clear from his remarks that Switzerland advocated merging the Special Programme with IFAD's regular programme.

144. He was disturbed at the rapid increase in arrears on loans and requested the countries concerned and the Executive Board to give due consideration to the problem.

145. With regard to the quality of the Fund's work, he said that its participative approach to encouraging the rural population to take their own development in hand was proving its worth, particularly by providing them with access to credit on normal terms and by enabling them to improve their economic activities. Innovations such as the agricultural extension projects supported by IFAD in which the extension workers were financed entirely or partly by small farmers, who also had a say in defining the technological content of the projects, deserved to be warmly encouraged. Since non-governmental organizations played a large part in the success of innovative projects, he fully supported the increased use of those organizations in IFAD's programme.

146. The Fund should continue to adjust its financing to economic reform measures in recipient countries and should help small farmers to grasp the opportunities that arose for them from such measures. It was unfortunate that the valuable IFAD study on the impact of structural adjustment programmes on small farmers had been published so late as to make it less valuable than it would have been otherwise.

147. He approved the operational guidelines of IFAD relating to the ecological viability of its activities.

148. It was gratifying that the Executive Board had decided to make the Evaluation Committee a permanent body. He welcomed IFAD's growing efforts to establish and strengthen national evaluation machinery in countries to which it granted loans; that process should be pursued. The only way of achieving a constant improvement in quality was to apply the lessons of experience. High quality combined with more abundant resources could not fail to increase the Fund's impact in the struggle against rural poverty. His Government firmly supported that aim, which could only be achieved through the determination, enthusiasm and creativity displayed by the President of IFAD and his entire staff.

149. Mr. SALHA (Niger) transmitted a special message from his country's President to the Governing Council expressing appreciation of IFAD's leading role in mobilizing resources for the implementation of innovative projects that utilized the production potential of small farmers, landless farmers and rural women. The President was gratified at the success of IFAD in mobilizing funds for the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification and he thanked all countries that had made contributions to it. Through the Special Programme agricultural potential had been restored with the aim of launching viable and sustained development. That confirmed the ability of the Fund to meet current concerns rapidly and efficiently in the fight against hunger and rural poverty. The message concluded with an appeal to all potential contributors to make it possible to continue the Special Programme for a further three-year period in view of its achievements and the need for long-term sustained commitments.

150. Speaking on behalf of his delegation, he said that IFAD was a practical symbol of morality in international relations. He welcomed Malaysia and Myanmar to membership in the Fund.

151. With the proclamation of the Second Republic on 18 December 1989, his country had returned to normal constitutional life. That had been the result of a great national movement for cooperation among all classes which accorded a prominent place in its programme to rural development. Its aims were food self-sufficiency; protection and improvement of the environment; freeing the rural economy from constraints by means of water control, action to combat desertification, rational agricultural and pastoral management, and the establishment of a rural code; and involving the rural population in responsibility for its development. The programme of the movement also provided for the promotion of women to enable them to realize their legitimate aspirations.

152. Having reaffirmed his country's deep attachment to the ideals of IFAD, he welcomed the clarity of the financial statements presented to the Council. 1989 had been a year of hesitation; 1990 should be one of constructive decisions to redouble efforts in the mobilization of resources under the Third Replenishment. IFAD must be able to develop its activities further, because most recipient countries faced a continuous deterioration in their terms of trade and had to bear a crushing debt burden. The Special Programme for Sub-Saharan Africa was one of the most effective means for bringing about economic recovery in the countries affected.

153. In conclusion, he warmly congratulated the President of IFAD and his staff on the vigour and efficiency they displayed in their work.

154. Mr. TCHICAYA (Congo) thanked the previous Chairman for the part he had played in bringing the negotiations on the Third Replenishment to a successful conclusion. He welcomed Malaysia and Myanmar as new Members of IFAD.

155. The 1980s had been characterized by a failure to take up challenges despite the resources existing throughout the world; for instance, official development assistance was still below 0.5% of the overall gross national product of the industrialized countries, whereas the original target had been 0.7%. However, there was hope that in the 1990s balanced development of the international economy would be facilitated by a reduction in international tension and a consequent cut in arms expenditure, but, it would be difficult to achieve owing to the attitude of the North to the South. The failure to increase official development assistance would be more acceptable morally if measures were taken to promote a new international economic order. Structural adjustment programmes were not the ideal solution to developing countries' problems and often led to social tension and concurrent political instability, which reduced a country's creditworthiness. The North-South dialogue should be actively pursued in order to find a viable solution to the gap between the rich and the poor countries. Institutions such as IFAD should continue to be supported by the international community.

156. His delegation approved the Audited Financial Statements of IFAD for 1988 and was gratified at the finalization of the Third Replenishment. The countries in Category III had displayed exceptional cooperation in the negotiations on the Replenishment. He expressed his gratitude for the efforts made by Category II and Category I countries to support the Fund. He welcomed the acceptance of the multiplier principle in the replenishment negotiations and paid tribute to the positive work done by the High-level Intergovernmental Committee in furthering them. Though the Third Replenishment had not been fully implemented, he would associate himself with a consensus on making preparations for the Fourth Replenishment. However, his delegation believed that the High-level Intergovernmental Committee should not begin discussing IFAD's future financial basis and structure until the Third Replenishment was in place, perhaps in the third quarter of 1990.

157. His delegation approved the Programme of Work and Budget for 1990 and the proposal to raise the Fund's commitments progressively in the period 1990-1992. He agreed that administrative costs should be reduced but thought that IFAD should not be deprived of the human resources it needed; he therefore supported the President's recruitment proposals. IFAD's assistance was necessary for developing countries because of their poverty and because they were fighting for survival. They suffered from a crushing debt burden, a negative flow of capital and insufficient raw material prices. As far as the environment was concerned, it was the developed countries which could provide the funds for its protection. The peoples of the developing countries were looking to IFAD to help them and the Fund must be given the means to render that help.

158. The meeting rose at 18.30 hrs.

## (iii) Summary Record of the Third Meeting of the Thirteenth Session held on Wednesday, 24 January 1990, at 10.00 a.m. in Rome, Italy

Chairman : Mr. AL-GAUD (Libyan Arab Jamahiriya)

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159. The meeting was called to order at 10.15 a.m.

AUDITED FINANCIAL STATEMENTS OF IFAD - 31 DECEMBER 1988 (agenda item 7) (GC 13/L.4 and GC 13/INF.2)

160. Mr. BROWN (Vice-President of the Fund) introduced the Audited Financial Statements of IFAD for 1988 and the report of the External Auditor thereon (GC 13/L.4) and the Audited Financial Statements for 1988 of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (Special Programme) (GC 13/INF.2). Both Financial Statements had been prepared in accordance with the recommendations of the International Accounting Standards Committee and had been reviewed by the Audit Committee on 22 March 1989.

161. He drew attention to an innovation which consisted in introducing accounting adjustments made in connection with overdue obligations, whether from Members' contributions or from loans. In view of the increase in the amount of unpaid contributions and in payments against drawdowns, the Executive Board had approved a policy under which the Fund would establish provisions against those contribution instalments or drawdown calls which remained unpaid beyond two years, such items being excluded from committable resources after a period of 18 months. However, as reflected in the document, it had been concluded that there was no compelling reason to create provisions against overdue loan repayments. It had also been decided that loan interest or service charges overdue for more than 12 months should be considered as "seriously overdue" and excluded from accrued income.

162. The issue of overdue contributions or loan payments did not at present arise in connection with the audited Financial Statements of the Special Programme, but if it occurred in future, the Financial Statements of the Special Programme would receive the same accounting treatment as those for the regular programme. The Executive Board having already given final approval to those Financial Statements, they were submitted to the Governing Council for information only.

163. The Governing Council considered and approved the Financial Statements showing the financial position of IFAD as at 31 December 1988 and the results of its operations for the year ended on that date, as contained in Appendices A to G inclusive of document GC 13/L.4 and the Report of the External Auditor thereon.

PROPOSED BUDGET OF IFAD FOR 1990 (agenda item 8) (GC 13/L.5 and Add.1)

164. The CHAIRMAN said that the Executive Board had considered the proposed Budget for 1990 (GC 13/L.5) at its Thirty-Seventh Session in September 1989 and had recommended it to the Governing Council for approval.

165. Mr. BROWN (Vice-President of the Fund) said that, in response to a request from the Executive Board, the Secretariat had prepared an overview of the way in which the Fund's Programme of Work was likely to

evolve during the period 1990-1992 and its implications for budgetary requirements. In the first place, the level of commitments was expected to be higher than in recent years owing to greater assurance of a reasonable level of resources following completion of the Third Replenishment negotiations and an increasing ability to design projects encompassing the specificity of IFAD's approach. For 1990, loan and grant commitment levels of SDR 214.4 million were projected, as compared with 1989 commitments of SDR 171 million. Those expectations were reflected in the 1990 Budget. Although lower in real terms by US$ 196 000, it aimed at further strengthening the Fund's ability to develop new projects and participate in their supervision. Taking into account the real decrease and anticipated price increases, the total amount of the Budget for 1990 was recommended at a level of US$ 39 835 000, plus a contingency of US$ 500 000, based on the rate of exchange of 1 270 Italian lire/US$ 1.00, as indicated in document GC 13/L.5/Add.1.

166. An organization and staffing study would be carried out in 1990, with Canadian financial support, but provision had already been included in the Budget for five new Professional positions and four General Service posts. In addition, it was proposed to complete the process of converting temporary into permanent positions. The Board had recommended that the Governing Council approve the provision for the new posts but had requested the President to defer recruitment against three of the Professional posts and one General Service post pending further consultations.

167. The two Professional posts which the Board considered should be filled immediately were linked with greater emphasis in the Budget on IFAD's role in project implementation. For the same reason, travel funds had been increased and greater provision made for consultant services for implementation activities. Resources for monitoring and evaluation had been increased by some 15% and funds were now available to develop new research programmes.

168. Mr. BULA HOYOS (Colombia) noted with regret that the proposed Budget showed less than zero growth. How could the Fund have any impact on the developing countries if obliged to slow down its operations? There seemed no reason for special financial stringency at present, although there was a real need for a careful cost/benefit study, bearing in mind that administrative costs might be too high.

169. He was distressed by the statement in paragraph 27 to the effect that the number of projects in the pipeline was too small. Many countries, particularly in Latin America and the Caribbean, desperately needed help. In that connection, he recalled that whenever his country had been represented on the Executive Board, it had always insisted that IFAD should collaborate with other agencies and especially that it should strengthen its cooperation with the Andean Development Corporation (CAF).

170. He welcomed the reference in paragraph 44 to the translation of documentation for governing body meetings and, while on the subject of language, suggested that it would be desirable for the chairmanship of the Executive Board to be held by a representative of each of the three Categories in turn. It should be recalled that IFAD was part of the United Nations system as well as a funding agency.

171. IFAD seemed to lack a clear, well-structured staff policy and serious imbalances were to be found in geographical representation. There was no official from his own region at the level of P-4 and above, so he urged that one of the two new posts should be used to rectify that situation.

172. Mr. SAINTRAINT (Belgium) said that the Programme of Work and Budget document was of such fundamental importance that it deserved the Council's fullest possible consideration. In his view, it was essential to maintain the principle of the indivisibility of the Budget and its global nature, since IFAD's activities included those financed under the regular programme, the Special Programme and various bilateral arrangements. In those circumstances, an overall view of the full range of the Fund's activities was needed. Furthermore, the volume of operations should be stepped up and cooperation with other agencies working in the same field enhanced, with a view to avoiding duplication and ensuring coordination. A valuable effort in that direction had been made in the course of action relating to locusts. The question of overhead costs in joint activities required examination and coordination at United Nations level to ensure that there was no distortion.

173. He congratulated the Vice-President on his efforts and said he hoped that further consideration would be given to the use of promissory notes following clearly established procedures and to the cash position of IFAD.

174. Mr. RABBI (Bangladesh) considered that the proposed Programme of Work and Budget would enable the Fund to meet the challenges of the 1990s. There seemed to be good reason to be optimistic about the availability of a higher level of resources and he welcomed the new approach adopted by the Fund. He hoped that the gap between the authorized and approved amounts for loans and grants would diminish.

175. The number of the rural poor was growing and their problems were taking on new dimensions. It was therefore important that the Fund share its expertise and experience with as many institutions, donor countries and agencies as possible. The demand for its assistance was increasing, as demonstrated by the fact that while there had been 46 projects in the pipeline in 1986, there were now 70. He fully supported the proposed Budget for 1990, including the Executive Board's recommendations concerning staff in paragraph 69.

176. Mr. SAID (Libyan Arab Jamahiriya) expressed his appreciation of the excellent introduction to the document. His delegation had already indicated the importance it attached to the need to define programmes within IFAD's competence. In his view, the management of the Fund was opening up new horizons in spite of budgetary stringency. It might be helpful if it were to rely increasingly on experts rather than on regular staff. While agreeing that the Fund must take minorities into consideration, he recalled that it was an intergovernmental body and consequently that any assistance to groups such as Bedouins should be channelled through the governments concerned.

177. The Fund should indeed pay more attention to research and the budgetary allocation for that purpose should be stepped up, since new problems were arising daily in the developing countries. The Fund should also enhance its supervisory role with regard to the projects it financed. The main point was that its projects must be well prepared and appropriate to the rural poor.

178. Mr. SALHA (Niger) supported the proposed Programme of Work and Budget for 1990. He was concerned, however, about the decrease in trend towards a decrease in the percentage allocated to grants compared with loans, particularly for the developing countries, whose indebtedness was growing daily.

179. As regards staff policy, he congratulated the President on his efforts to keep expenditure down while maintaining high standards and on respecting the recruitment procedures agreed upon.

180. IFAD had always channelled its assistance to its target group in conformity with its objectives, but the beneficiaries must be involved in the preparation of projects. There therefore seemed to be a need to strengthen local structures as a matter of priority. The training of local personnel would provide a guarantee of the continuity of IFAD's work. Experience gained in seminars and workshops should be consolidated by subprojects and training activities. That point should be taken into account in the evaluation and follow-up of projects.

181. He encouraged the Fund to take every opportunity to work in cooperation with regional African institutions and with other agencies in Rome, particularly the Food and Agriculture Organization of the United Nations (FAO). In that respect, he urged the adoption of a resolution calling for coordination at the highest level.

182. Mr. CAÑADAS PORTILLA (Ecuador) supported the Programme of Work and Budget for 1990. With reference to sub-paragraphs 6(c) and (d), he asked the Secretariat for further information concerning cofinancing by IFAD and CAF. The latter would find it most desirable for IFAD funds to be made available at the beginning of the year to help in launching projects.

183. Mr. DE MEDICIS (Brazil) said he understood that some Latin American countries felt that their views were not always taken fully into account. He sincerely hoped that the Latin American and Caribbean region would be equitably represented on the staff and that steps would be taken for that purpose as soon as possible.

184. Mr. CACERES CALVILLO (Mexico) said that, while not wishing to oppose the consensus on the adoption of the Budget of IFAD for 1990, his Government had serious reservations in view of the marginalization to which the Latin American region was subjected in respect of the distribution of projects and its representation in the Secretariat.

185. Mr. BROWN (Vice-President of the Fund), replying to the debate, acknowledged that there were more IFAD activities than those reflected in the document under consideration, since the Special Programme and certain funds provided by particular countries, including Belgium, were reported on elsewhere. The Belgian suggestion to provide a more comprehensive view in a single document would be taken into consideration for the coming year.

186. With regard to the implications for the budget of zero growth, he stated that administrative expenditure was kept to an absolute minimum to ensure that the largest possible percentage was available for projects and programmes. A conscious effort was being made to increase loans and grants and it would be noted that the gap between targets and achievements was being narrowed every year, resulting - he hoped - in its virtual disappearance in 1990 now that the Fund was able to deal increasingly efficiently with the specificity of its projects and had set up an evaluation system to provide improved information.

187. On the question of the low number of projects for Latin America, criticized by a number of speakers, he explained that the level had fallen because the Inter-American Development Bank, despite IFAD protests, had postponed appraisals of some projects scheduled for 1990.

188. Referring to staffing, he pointed out that the present number of staff from Latin America was the highest ever. It was unfortunate that none was at Director level, due to the voluntary departure of an Assistant President and one Director to take up posts elsewhere. On other staff matters, plans had been made to undertake a broader study of the issue in 1990, with some financial support from Canada. Attention would be given not only to the present situation and needs, but also to the future implications of greater IFAD involvement in project appraisal and supervision, which he felt the Fund could perform more efficiently than the cooperating institutions. On that score, there were constraints in the Agreement Establishing IFAD which might have to be modified if the Fund were to play a more direct part in such functions.

189. Cooperation with CAF involved five projects, and the CAF proposal for strengthening financial collaboration would be given constructive consideration by IFAD.

190. On the subject of relations with other United Nations bodies raised by a number of speakers, IFAD was seeking the broadest possible range for such contacts.

191. In reply to the Governor for The Niger, he stressed that the Budget made proposals for project implementation and monitoring, and for evaluation workshops and training in Africa, ensuring that national and particularly regional institutions would have an active role to play.

192. Mr. DE MEDICIS (Brazil) emphasized that his concern was with past levels of projects for Latin America, not only the 1989 levels.

193. The CHAIRMAN invited the Governing Council to adopt the draft resolution on the Budget of IFAD for 1990 contained in document GC 13/L.5 as completed by the recalculation referred to in document GC 13/L.5/Add.1.

194. Resolution 58/XIII was adopted.

GENERAL STATEMENTS (agenda item 6) (continued)

195. Mr. VALENZA (Italy) said that his delegation had never failed to express its full appreciation for President Jazairy's untiring efforts on behalf of the Fund which, with its particular operational structure, was unique among multilateral organizations. The Italian Government attached great importance to cooperation with IFAD, as was evident from its contribution of almost US$ 25.5 million to the Third Replenishment, resulting in its occupying fifth place among donors.

196. IFAD's activity tended to be highly selective, with implementation decided on only after very thorough examination focusing on the interests of developing countries from the grass roots upwards, and with the direct beneficiaries themselves carrying out the programmes. Past successes and failures were duly taken into account. IFAD was very efficient in locating resources and implementing its projects and, in today's interdependent world, the aims of the Fund should serve as a beacon of hope for everyone and be pursued with unfailing determination.

197. Italy continued to devote a large proportion of its resources to both bilateral and multilateral cooperation for development. In the complex world of the present, bilateralism was unable to offer global solutions, while with multilateral action a harmonious outcome could be achieved.

198. On the question of permanent headquarters for IFAD, the Italian Government had recently rented an additional 750 square metres of space in the building which housed the Fund, in an effort to alleviate working difficulties while it actively pursued its efforts to provide new headquarters.

199. Mr. AL-SHEIKH (Saudi Arabia) said that the 1990s would witness regional and international changes in economic trends whose impact on the developing nations was hard to predict. It was to be hoped, however, that they would mark the beginning of a new era of increased international cooperation and a more just international economic order which would enhance the mutual interests of the developed and developing nations. The developing countries were facing a series of problems that made the attainment of their development goals almost impossible.

200. Recent data indicated that world food stocks and the wheat holdings of the major exporting countries would fall to their lowest level since the early 1970s. He therefore hoped that the developed nations would reconsider their economic policies and programmes with the aim of creating balanced trade relations with Third World countries and helping them to achieve food security, solve their debt burden and gain access to modern technology.

201. The developing countries, on the other hand, must gradually lessen their dependence on short-term loans and aid and give agriculture the utmost importance in their development plans as well as employing more effective methods of exploiting natural resources. His own country had given the agricultural sector top priority in its comprehensive economic development and, with determination, sound planning, training and technological know-how, had overcome all difficulties and attained self-reliance in basic food commodities.

202. Saudi Arabia appreciated the efforts made by the President of IFAD, which must monitor forthcoming economic developments and formulate alternative policies so that it could continue to achieve its objectives.

203. Mr. MUKANDO (Zambia) agreed with those speakers who had expressed disappointment at the poor state of agricultural development and food supply in the developing countries, especially in sub-Saharan Africa. Despite some improvements due mainly to favourable weather, hunger and malnutrition were still on the increase with the situation further aggravated by a decline in food aid from the developed countries and a heavy debt burden.

204. On the threshhold of the 1990s, there appeared little prospect of improvement without a considerable increase in financial and food aid from the developed countries. He therefore supported the request made by many delegations that the Special Programme be extended for a further three-year period from 1991 so that the target countries could be helped to find durable solutions to food production.

205. Many developing countries regarded IFAD as a great source of hope for agricultural development because its programmes focused on the most disadvantaged group, representing about 80% of the rural population. In that context, he welcomed the trend towards allocating more resources to women to enable them to participate in economic development. In many of the developing African countries, increased agricultural output would require greater emphasis on research and development and on other incentives to encourage the adoption of improved technology along with effective policies to slow down population growth.

206. Efforts to accelerate agricultural development should also be supported by a stable flow of external resources and greater stability in internal and external markets. Agricultural exports were vital in order to earn the foreign exchange needed to import food and other goods that could not be produced locally. A fair price should be paid for those exports. However, increased agricultural production should not be at the expense of environmental protection. The conservation of natural resources was the collective responsibility of all countries, and environmental protection measures should be included in future programmes as a means, among other things, of combatting the effects of drought.

207. Other specific problems to be taken into account were post-harvest losses, for which specific measures should be taken with the help of international donor agencies, local manufacturing of farm tools with the assistance of foreign investors, and the creation of small, agro-based industries, in which foreign investors could play a significant part, and for which training was also essential.

208. In conclusion, he referred to the assistance rendered to his country by IFAD and urged that it should be the resolve of all to ensure a decent life for all peoples in the twenty-first century. In that perspective he fully supported the 1990 budget proposals.

209. Mr. BULA HOYOS (Colombia) said that the time had come to speak frankly about the way in which IFAD worked and about its future. The Third Replenishment, although considerably less than planned, was now under way. The management of IFAD - perhaps because of the intense effort made - had committed some errors that had been instrumental in the reduction. He hoped that there would be no repetition of the regrettable acts that had affected the good name of sovereign states.

210. Even though in its present form the Fund was not even a pale shadow of the organization envisaged at its creation, his country would continue to be a Member because of the beneficiary countries' need for help. Furthermore, owing to its socio-political orientation and the scope of its agricultural development plans, Colombia had been unable to use the resources allocated to a project two years ago. Indeed, without greater flexibility on the part of IFAD, Colombia would find it very difficult to use the Fund's help in future.

211. The Category I countries were chiefly responsible for IFAD's continuing existence and it was regrettable that a sum representing such a relatively small amount to them should be so difficult to obtain, in great contrast to the willingness shown in another nearby organization. The industrialized nations had a moral and political duty to contribute adequately so that IFAD could fulfil its mandate. It would be deplorable if the rich and powerful countries offered an amount that was derisory in relation to the serious economic damage they had caused by closing their markets to the developing world and terminating commodity agreements.

212. Finally, Category II countries were making noteworthy efforts to fulfil their obligations while Category III's contribution to the Third Replenishment was exceptional. It was therefore unacceptable that the IFAD Secretariat should speak of further, sustained efforts by Category III for the Fourth Replenishment; basing the Fund's continuation on contributions from the developing countries went entirely against the most fundamental principles of international cooperation.

213. Mr. GEENS (Belgium) reaffirmed his country's support for the philosophy on which the Special Programme was based. Negative developments in the major socio-economic parameters underlined the need to devote special attention to the situation in sub-Saharan Africa. Belgium had demonstrated its concern in that connection by allocating almost 80% of its bilateral aid to Africa. In addition, it had contributed the equivalent of US$ 35 million to the Special Programme. The poorest countries in Africa should receive from IFAD the support they required, either through a further phase of the Special Programme or through an increase in the share of the regular budget devoted to Africa. Belgium attached particular importance to agricultural development in sub-Saharan Africa and more specifically to the concrete impact of projects on the final user, namely, the millions of almost destitute families. His country therefore sought greater involvement in the evaluation of activities carried out under the Special Programme.

214. It was open to question whether macro-economic developments and agricultural policies in developing countries succeeded in improving the living conditions of small farmers. Their results had not been spectacular and some experiments had in fact been negative. Nevertheless, if the reasons for such negative results were analysed, they could be used to advantage in identifying, formulating and evaluating future projects. The national macro-economic environment determined the success of sectoral policies, which in turn governed the success of individual projects. It was also essential to take into account other factors, such as ecology, the level of indebtedness, world markets, and the political and economic situation in neighbouring countries. There was a limit to the ability of individual countries to resolve their problems by reforming domestic sectoral policies. A development programme would not succeed in the long run if it focused solely on improving agricultural production. The real problem facing agriculture in developing countries was the lack of any creditworthy demand for its products, therefore potential consumers had to be provided with the means to buy them. Belgium wholeheartedly supported the proposal on non-agricultural rural employment opportunities contained in document GC 13/L.12.

215. Development prospects in Africa were gloomy compared to the forecasts for South-East Asia. Development aid had not been able to prevent the occurrence of the crisis, but it had nevertheless mitigated its consequences for many people in Africa. The focus must be on long-term projects and IFAD had an important role to play in promoting rural development. Institutional structures in sub-Saharan Africa were particularly weak and IFAD should give priority to their strengthening. Like many financing institutions, IFAD had not devoted enough attention to sub-Saharan Africa and had proved unable to implement adequate programmes of action. Too much attention had been paid to identifying specific short-term economically viable projects and in future greater realism should be injected into project identification so as to consolidate and assure sustainable development. Without in-depth monitoring of the results obtained, the Fund would not be able to instill into executing agencies the same concerns and thinking that had led to identification of the project.

216. Finally, he urged the Fund to study more closely the mechanisms of rural development and of its catalyst, namely, agriculture.

217. Mr. POULIDES (Cyprus) expressed satisfaction with the results of the Third Replenishment, although a higher overall total would have been preferable. Members would now have to ensure that funds were made available at the appropriate time. It was disappointing to note that during the past financial year arrears had increased by 60% and he urged borrowers to repay loans when they matured. IFAD's financial situation would undergo a rapid improvement if arrears were repaid promptly. He welcomed the priority given to rural development in IFAD's new programme and paid tribute to the hard work carried out by the staff. He endorsed the proposals made under Section VI "Staffing and Staff Costs" of document GC 13/L.5, emphasizing the urgency of implementing them.

218. Rural development and environmental sustainability raised complex problems whose solution required time and money. Projects that emphasized environmental components might not have the economic returns expected of IFAD projects. Concessional loans should be made available to developing countries to allow them to integrate environmental concerns more fully into their projects. He supported the proposal to establish an environmental facility and suggested that bilateral financing also be sought. He concluded by appealing to developed countries to provide the necessary funds for such a facility or some other statutory financing arrangement.

219. Mr. SANCHEZ (Cuba) said that the 1980s had been called a "lost" decade for development and objectively the 1990s were not commencing under the best auspices. Multilateral cooperation remained the only way to pursue wide-ranging international dialogue on development and peace. It was unfortunately true that instead of progress being made, trade imbalances, protectionism and other forms of exploitation were on the increase. Events in Eastern Europe and the dialogue between the great powers all contributed to neglect of the needs of the developing world. The talk was all of bilateral contacts and peace, but did peace mean unprovoked military invasion like that of Panama? In addition to such flagrant violations of international law, the readjustment imposed by the International Monetary Fund had led to unprecedented levels of unemployment. Wages had decreased dramatically in real terms, while imports and levels of consumption had declined in order to meet the need for a positive balance of payments. Investment had decreased from 22.7% to 16% in recent years.

220. IFAD played an important role in helping those most in need, as was shown by the large number of projects submitted to the Thirty-Eighth Session of the Executive Board. The Fund constituted an important source of financing for a sector generally marginalized by traditional financing institutions. His delegation hoped that the Fund would continue to implement policies that had conferred confidence and authority on it. Cuba fully supported IFAD's emphasis on the integration of rural women because it was in accordance with the ongoing political determination shown by the Cuban Government in that regard. His delegation shared IFAD's concern regarding environmental sustainability and the elimination of rural poverty. Developing countries did not possess the resources needed to undertake "environmentally viable" agricultural projects. They were facing serious social problems and environmental considerations constituted only one of the essential objectives of their projects.

221. Mr. SHRESTHA (Nepal) fully endorsed the strategy outlined in IFAD's Programme of Work and Budget for 1990, since it firmly believed that programmes could not succeed without the active participation of the intended beneficiaries. He welcomed the focus on environmental sustainability and expressed support for IFAD's proposal on the granting of additional funds for the alleviation of poverty in compatibility with sound environmental protection.

222. In Nepal, small farmers constituted the overwhelming majority in rural areas and they had to be made aware of the consequences of their utilization of resources. The Nepalese programme aimed at meeting the population's basic needs was fully in accordance with IFAD's objective of

alleviating rural poverty through targeted projects that involved the local people. Small farmers in Nepal were usually outside the reach of most development programmes and special efforts had to be made to involve them in the development process otherwise there would be no economic and social progress. Nepal had therefore established a Small Farmers Development Programme (SFDP), with IFAD assistance, aimed at groups whose annual per caput income was less than US$ 50. Farmers participating in SFDP had increased their income by 20% to 30% as a result of increased production levels. The Programme also provided credits to women to carry out income-generating activities. He expressed the hope that IFAD would support the third phase of SFDP because, despite Nepal's commitment to mobilize fully all available resources, those alone would not be sufficient. Despite the efforts made, many farmers did not yet take part in SFDP and Nepal faced the formidable task of reaching needy farmers all over the country.

223. Mr. AL-AWALAKI (Yemen A.R), speaking on behalf of his own country and of Yemen, P.D.R., stressed that the food and nutrition situation in many developing countries remained critical despite all the efforts made at the international level. The new détente gave cause for hope and the political will to eliminate hunger might at last emerge. IFAD had shown leadership by implementing projects to alleviate poverty and its President had played a critical role in seeking to overcome the crisis.

224. He was happy to inform the Council that, despite many problems, the unification of Yemen was drawing closer and efforts were being made in both parts of the country to overcome agricultural problems.

225. Ecological problems could not be viewed in isolation but necessitated international cooperation and financial resources. He supported the establishment of a special environmental fund that would grant loans on highly concessional terms and he welcomed Norway's declaration of financial support for such a fund. FAO had considerable experience of environmental issues and IFAD should work in close collaboration with it. Finally, he urged that the Special Programme be given the necessary material resources to continue its important work.

226. The meeting rose at 1.20 p.m.

## (iv) Summary Record of the Fourth Meeting of the Thirteenth Session held on Wednesday, 24 January 1990, at 3.30 p.m. in Rome, Italy

Chairman : Mr. FISCHER (Germany, F.R.)
later : Mr. AL-GAUD (Libyan Arab Jamahiriya)

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227. The meeting was called to order at 4.15 p.m.

A Point of Order was called.

228. Mr. SALHA (Niger), speaking on a point of order, said that the first experimental issue of a film shown early that afternoon for comments of participants and relating to rehabilitation programmes for nomads returning to Niger was incomplete and did not bring out the laudable documented efforts made by the Government of The Niger to alleviate the plight of the inhabitants in the north of the country.

229. The CHAIRMAN said that it would be preferable for the point of order raised by the Representative of The Niger to be heard later, at the time which had been scheduled for the Council to take up Other Business. If necessary the Representative's statement could be circulated in writing.

230. Mr. BULA HOYOS (Colombia), speaking on a point of order, said that every representative had the right to correct a reference that might constitute a slight on his Government.

231. The CHAIRMAN suggested that the Council take note of the statements of The Niger and Colombia.

232. It was so agreed.

## REPORT ON THE STATUS OF THE HEADQUARTERS AGREEMENT (agenda item 13)

233. Mr. HARMS (Officer-in-Charge, General Affairs Department) said that the Government of Italy was continuing to provide full support to IFAD in the administrative implementation of the Headquarters Agreement and had continued to make provision for the rental of temporary premises at its own expense. The question of the provision of a permanent headquarters building, offered eight years previously, was still pending, although the Council had been informed by the President of the Council of Ministers of the Italian Republic at the present session that the complex procedures which it entailed were nearing conclusion.

234. The Secretariat had reported to the Governing Council at its Twelfth Session that the lack of adequate office accommodation and conference facilities was becoming an increasingly serious constraint on the effectiveness of the Fund's operations. The decision by the Government of Italy to authorize IFAD to rent an additional 750 square metres of office accommodation in the same building as its present annex and the expeditious provision of that space were greatly appreciated. It would relieve the immediate pressure on office space, but serious operational problems arose from the division of the staff between two buildings and the continued need to hold meetings in temporarily rented premises.

235. IFAD was well aware of the difficulties that had prevented an earlier solution to the problem and hoped that the assurances received at the present session would lead to prompt finalization of the purchase of the headquarters building and commencement of construction work on the

conference facilities. He urged the Italian Government to explore all ways of accelerating the procedures involved and expressed concern that no specific information on the progress of the new headquarters project had been forthcoming since the previous session of the Governing Council.

236. Mr. VALENZA (Italy) confirmed the information provided the previous day by the President of the Council of Ministers of the Italian Republic, and said that delays had arisen over the building permit for the conference hall. He assured Members that all efforts were being made to expedite the matter. The fact that the owners of the building were in permanent contact with his Government was a sound guarantee of an early solution.

237. Mr. TREFFERS (Netherlands) said that human capital was one of the most valuable assets that IFAD possessed. The Fund's staff was highly regarded for its professionalism and dedication. It was a matter of some concern that IFAD had recently suffered a relatively high staff turnover. That possibly indicated a decline in staff morale, due perhaps in part to unsatisfactory working conditions and physical surroundings. He therefore urged those concerned to expedite the process of providing the Fund with a permanent headquarters building.

238. Mr. POWER (United Kingdom) endorsed the previous statement; he had first-hand experience of the cramped quarters in which IFAD had to operate. He wished to know whether the availability of the proposed headquarters building to IFAD's staff was contingent upon the building of the conference hall, and if so whether there was any way of speeding up the process, since the construction work might take some time.

239. Mr. VALENZA (Italy) agreed that working conditions were poor, although he understood that the staff members who had left IFAD had not done so on account of the premises. Moreover, their departure was offset by what to his mind was an inordinately large intake of new staff. He assured the Alternate Governor for the United Kingdom that every effort was being made to solve the problem rapidly.

240. Mr. JAZAIRY (President of the Fund) said that the main reason for staff rotation was competition from other international financial institutions, which offered substantially higher remuneration. There was also some uneasiness about physical working conditions. The additional accommodation made available was appreciated, but it gave rise to problems of communication between the two buildings and caused some resentment among the staff. He sympathized with them, since the physical problems compounded those arising from their heavy workload and relatively low salaries. It was certainly no substitute for a single permanent headquarters building.

241. Mr. BULA HOYOS (Colombia) said that he broadly shared the views of The Netherlands and the United Kingdom. While he appreciated the Italian Government's difficulties, the vexed question of a permanent headquarters building had been on the agenda for far too long. It caused considerable inconvenience and should be resolved before the next session of the Governing Council.

242. Mr. VALENZA (Italy) expressed some surprise at the President's comments about the additional accommodation, which had been promptly provided at IFAD's request as a token of the Italian Government's concern for the Fund's immediate needs. He assured the Council of his Government's sincere endeavours to bring the matter swiftly to a successful conclusion.

243. The CHAIRMAN suggested that the Governing Council should take note of the oral report on the Status of the Headquarters Agreement and appeal to the Italian Government to accelerate the final procedures for providing the Fund with a permanent headquarters building.

244. It was so agreed.

## PROGRESS REPORT ON THE THIRD REPLENISHMENT OF IFAD'S RESOURCES (agenda item 9) (GC 13/L.6 and Add.1-4 and Corr.1)

245. Mr. BROWN (Vice-President of the Fund) informed the Council of the current status of contributions to the Fund under the Third Replenishment. The contributions of Category III totalled US$ 64.096 million. Category II had pledged US$ 124.4 million; its unallocated amount of US$ 10 million as of June 1989 would be reduced to US$ 5 million by a pledge of US$ 1 million received from the United Arab Emirates and a pledge for a generous additional contribution of US$ 4 million expected from the Libyan Arab Jamahiriya. Consultations with the Category II countries concerned made him confident that the remaining US$ 5 million would be pledged shortly.

246. Category I had pledged US$ 186.6 million to the core contribution of the Third Replenishment and a further US$ 191.5 million in the form of supplementary contributions to match the convertible currency contributions of Category III on a 3 to 1 basis. Category I had emphasized that its ability to reach the target set by the Category as a whole was due to a special additional effort on the part of the vast majority of its members in response to particular circumstances relating to the Third Replenishment. The level of the Third Replenishment had thus been raised to US$ 566.574 million. He urged all Member States to deposit their Instruments of Contribution, preferably by 30 June 1990.

247. Mr. SAID (Libyan Arab Jamahiriya) confirmed that, despite the difficult conditions created for his country by the industrialized countries, it was increasing its contribution by US$ 4 million. That step having been formally approved, he asked that the table in Annex II to document GC 13/L.6 be amended to show his country's contribution as US$ 16 million.

248. Mr. SAINTRAINT (Belgium) said that lessons should be learned from the very long and painful history of the negotiations on the Third Replenishment. He commended the great efforts made by Category III to support the Fund. In due course consideration must be given to the problem of repayment of IFAD loans against the background of overall public debt and the difficulties experienced by some countries in that respect. It was unreasonable to expect recipient countries to make contributions to the Fund so that they could receive loans from it.

249. The Category I countries would like to discuss the question of Members' voting rights in the Governing Council. The very complicated procedures which had been followed in the Third Replenishment should be changed in a manner which would serve the interests of both the Fund and the developing countries.

250. Mr. BULA HOYOS (Colombia) approved the statement by the Representative of Belgium and thanked him for expressing his appreciation of the contribution to the Third Replenishment made by Category III. His country was grateful to the Libyan Arab Jamahiriya for its generous attitude towards countries of the Third World.

251. He drew attention to the fact that Colombia had contributed three times more to the Third Replenishment than was shown in document GC 13/L.6. He urged the Secretariat to exercise the greatest care in its dealings with governments in regard to financial matters.

252. Mr. de LEON PRERA (Guatemala) said that the positive response of Latin American countries to the needs of the Third Replenishment was due to their recognition of the valuable work done by IFAD in raising the level of rural economies by taking a production-oriented approach to the problems of poor farmers. He expressed his appreciation of the leadership of the President of the Fund and of the excellent performance of the Latin America and Caribbean Division. He therefore disassociated himself from certain remarks critical of the Secretariat which had been made at the previous meeting by a Governor for a Latin American country. They did not reflect the views of other Governors from the region. The Third Replenishment reflected the vision of rural development held by IFAD and the developing countries, which was fully supported by his own country.

253. Mr. TREFFERS (Netherlands), thanked the Libyan Arab Jamahiriya for its additional contribution and noted that the unallocated amount for Category II had been reduced to US$ 5 million. A legal question arose with regard to the unallocated amount. In the past, when pledges had not been honoured, it had been possible to approach the country concerned directly. In the case of the allocation of the Category II contribution to the Third Replenishment, the position of two of its countries - Iran and Qatar - remained undetermined (document GC 13/L.6/Corr.1, revised Attachment B, footnote 3). His question therefore was, should those countries be approached individually on that point or should the approach be to Category II as a whole, or to its Convenor? It had to be borne in mind that the sum in question was the basis for the Replenishment as a whole and for the contributions of the other Categories.

254. Mr. BROWN (Vice-President of the Fund) welcomed the confirmation by the Libyan Arab Jamahiriya that it would provide an additional US$ 4 million. A further addendum to document GC 13/L.6 would be distributed showing the reduction in the unallocated amount to US$ 5 million.

255. Governing Council Resolution 56/XII did not state clearly how the unallocated amount should be dealt with, although it had set a time-limit for the announcement of additional contributions by Category III for the purpose of their being matched by Category I, as reflected in revised tables A and C. A corrigendum had been prepared whereby the footnotes of the kind alluded to by The Netherlands would disappear from Attachment B to Resolution 56/XII. Discussions were continuing with certain governments regarding their ability to make pledges that would eliminate the unallocated amount. It was for the other Categories to decide whether they wished to urge Category II to complete its allocation promptly. He was confident that the complete allocation would be made in the near future. The extraordinary efforts made by Category III countries to support the Fund had been repeatedly emphasized, as had those of the other Categories.

256. Mr. LUST (Austria) said that the remarks of the Vice-President of the Fund made it clear that Resolution 56/XII was a very weak instrument which it was difficult to take to parliament as the basis for approval of a contribution. There seemed to have been a change in the relative proportions of the Fund's resources contributed by the various Categories. It was an inherent contradiction to ask recipient countries to donate money so that they could receive loans.

257. Mr. JAZAIRY (President of the Fund) said he did not think it desirable to reopen discussions on a subject on which a compromise had already been reached. The important point was to raise the US$ 5 million needed to complete Category II's contribution and he was confident that could be done.

258. The CHAIRMAN invited the Council to approve the Progress Report on the Third Replenishment (GC 13/L.6 and Add.1-3 and Corr.1)

259. The Progress Report was approved.

## THE HIGH-LEVEL INTERGOVERNMENTAL COMMITTEE ON IFAD'S FUTURE FINANCIAL BASIS AND STRUCTURE (agenda item 10) (GC 13/L.7)

260. The CHAIRMAN invited the Council to note the report of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure (GC 13/L.7) and to adopt the draft resolution attached to it.

261. The report was noted and Resolution 59/XIII was adopted.

## GENERAL STATEMENTS (agenda item 6) (continued)

262. Mr. POWER (Canada) said that the Council should take advantage of the present lull in the long sequence of difficulties which had confronted IFAD since its inception in order to reflect on how best to set the Fund on the way to adequate, predictable and sustainable viability.

263. He was inclined to regard the conclusion of an agreement on the Third Replenishment, which had been the main event in IFAD's calendar in 1989, as a pyrrhic victory. While the amount reached as a result of that agreement would allow IFAD to make new commitments until mid-1992, it fell short of what had been considered reasonable; and in the long-term view June 1992 was uncomfortably close. Furthermore, the acceptable - if disappointing - level reached was due to a remarkable commitment to the Fund by the members of Category III, whose contribution had clearly been instrumental in generating additional resources which made up no less than 45% of the Third Replenishment. Such a commitment was a good omen for the future.

264. He welcomed the significant increase in the Fund's new commitments in 1989 and fully approved the higher level proposed for 1990. The increase in quantity should not, however, be achieved at the expense of quality. Since there was room for further improvement in the planning of effective implementation, Board approval should not be sought prematurely just to achieve quantitative targets. His Government supported the budgeted increase in monitoring and evaluation, since it would strengthen the feedback essential for effective project implementation.

265. Turning to the question of the Fund's future financial basis and structure, which was to be considered by the High-level Intergovernmental Committee, he said that to envisage any further replenishments along the lines of the first three might well prove a waste of time. The Council should emulate the Fund itself by trying to innovate. As a first step, it should recognize that the IFAD management had done as much as could be expected at the present stage and that it was now for the Council itself to shoulder the responsibility of finding ways to provide IFAD with sufficient funds. In his view, all representatives of the three Categories in the Committee should be asked to identify appropriate options before a meeting took place to decide which of them to implement.

266. His own preliminary ideas on the subject were the following: first, the best way for IFAD to raise money was through core funding, since borrowing on international capital markets seemed impractical and anything more onerous than zero per cent loans seemed inappropriate at present for most of IFAD's clients. Second, IFAD should address and resolve the issue of core funding before considering other supplementary funding schemes of any kind. Third, all member governments shared the responsibility for IFAD's continuing viability. Fourth, Members should be encouraged to contribute more rather than be punished for not doing so, the reward being additional influence in the form of votes. The number of additional votes gained might perhaps vary by Category or by the level of the contributor's per caput GNP, and changes in the number of votes perhaps be reflected in changes in the distribution of seats on the Executive Board.

267. The starting position should be that every contributor country should retain the votes to which it was entitled once the Third Replenishment pledges had been honoured; it should not be deprived of anything it had acquired thus far. The overall amount mobilized by IFAD from among its members was a very significant one and rights gained by

contributors as a result of that mobilization should be fully recognized. In concluding his remarks, he expressed great appreciation of the work done by the President, management and staff of IFAD in 1989.

268. Ms. EL MARASSI (Egypt) said that, against a background of major changes in the world and rising expectations among the countries of the Third World, Egypt's second five-year plan focused on covering the country's food needs, increasing exports, providing production inputs and raw materials for industry, enhancing resource management, fostering land development, developing crop structure, animal and poultry breeding and fisheries and meeting manpower requirements.

269. Her Government endorsed the Programme of Work of IFAD for 1990 and the proposed Budget in the amounts stated in document GC 13/L.5, including the proposed Contingency. Regarding the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, she thanked the donor community for its contributions and congratulated the Fund on the excellent management of its resources. Her Government favoured an extension of the Special Programme for a further three years and appealed to donors for voluntary contributions to permit that extension.

270. Environmental issues should be tackled at the global level; the Fund's increased commitment to the fight against environmental degradation and to an integrated approach to environmental issues was commendable. Given its limited resources, the opening of a credit line for environment-related projects, possibly in the form of grants, was a sound proposal. Another proposal made by some donors was to make funds available for joint ventures.

271. Her Government hailed the successful outcome of the negotiations on the Third Replenishment. The consensus reached and the single efforts made by all Categories to help the Fund did credit to it. She commended IFAD's work under the able leadership of President Jazairy, and in particular the holding of seminars on some of the major problems affecting her region.

272. Mr. NGARURO (Kenya), commending IFAD on its achievements to date, said that his country had participated actively in supporting the Fund through contributions to the replenishment process, despite severe economic difficulties. While the early conclusion of the negotiations on the Third Replenishment was gratifying, the project target had regrettably not been achieved despite the efforts made by Category III countries to support the Fund. Kenya therefore welcomed the resumption of work by the High-level Intergovernmental Committee.

273. While approving the Programme of Work and Budget of IFAD for 1990, his Government would like to see the Fund serving a larger number of projects in more countries and increasing the amounts of individual loans. The proposals to strengthen appraisal missions, the evaluation section and the loan analysis department were welcomed. The Fund was to be commended for its support to international research activities and institutions. He appealed for increased support by donors for international and national research institutions based in developing countries.

274. The situation of developing countries continued to worsen because of falling commodity prices, rising input costs and constraints on commodity trade caused by protectionism. The result was a transfer of resources from the developing to the developed countries, a trend that must be reversed. South-South cooperation should be encouraged in order to open up new market prospects for the developing countries.

275. His country's President had pointed out that the question of development must not be separated from that of the environment. Affluence in the developed world threatened the environment but poverty in the developing countries was closely linked to environmental degradation, which was aggravated by population pressures. The only way to break the vicious cycle was to address poverty constraints. He was gratified to note IFAD's proposal to mobilize resources in order to assist developing countries in addressing environmental issues. He urged that the Fund be provided with additional resources for that purpose.

276. His delegation was happy to note the progress made by the Special Programme for Sub-Saharan Africa, which should be continued after the end of the year.

277. Kenya faced the formidable task of raising capital formation through production on only 20% of its land mass. Irrigated agriculture could be developed in its arid lands and rainfed agriculture could be facilitated in other areas by the provision of social amenities, such as clean water. He thanked the Government of France for financing a hydro-electric project which would accelerate development in north-west Kenya. His Government was making efforts to develop small-scale enterprises in a wide range of sectors as a means of generating income in rural areas.

278. The production of coarse grains and pulses in Kenya had been intensified over recent years with the aim of achieving self-sufficiency. There was potential for increased wheat production, the cultivation of improved rainfed varieties of rice and vegetable oil production. Donor cooperation and joint ventures in those areas could help to reduce imports and save foreign exchange.

279. He emphasized the need for coordination and consultations among donors, international agencies and non-governmental organizations with regard to development activities and recorded his appreciation of the support his country had received from the Fund.

280. He expressed the hope that the historical changes taking place in Eastern Europe would lead to a more united and peaceful world, thereby facilitating a decrease in arms production, releasing more resources for aid and making possible the expansion of a free market economy so as to increase trade opportunities for the developing countries.

281. Mr. LAMPTEY (Ghana) said that his country had already benefited from two IFAD-associated projects and was about to benefit from a third. It greatly appreciated IFAD's positive response to appeals by developing countries for help.

282. Although it would have preferred something more than a zero-growth budget, Ghana would endorse the Programme of Work and Budget for 1990 in the hope that zero-growth would have no negative impact on the deserving poverty alleviation projects being undertaken by the Fund.

283. His country favoured the continuation of the Special Programme for Sub-Saharan Africa and endorsed the principle that environmental considerations should have a place at the core of poverty alleviation projects. It supported all meaningful projects designed to achieve IFAD's goals in the Third World and pledged the continued fulfilment of its obligations to the Fund.

284. At the start of a new decade it had to be recognized that Africa's economic situation continued to be extremely grave. Countries like his own and its neighbour, Côte d'Ivoire, had no wish to suffer the humiliation of being donor-dependent; what they asked from the developed world was justice and equitable treatment. Mistakes had been made in the developing countries, of course, and inefficiencies persisted there, but the unjust world economic system was a major cause of the Third World's continuing poverty and massive indebtedness contributed to it.

285. At both the national and international levels, strong public intervention was needed in order to ensure social justice and economic well-being. International cooperation was therefore essential. An explosive situation existed throughout the Third World which, unless it was addressed with vision and determination, could provoke a crisis of such dimensions as to dwarf the recent events in Eastern Europe. He appealed to all members of the Council to display vision on the international plane that was worthy of the demands of equity and social justice.

286. Mr. IQBAL (Pakistan) said that his Government was at present focusing its attention on national food security and full employment in rural areas, especially for women. Its overall objective, which coincided in part with IFAD's mandate, was to accelerate the rate of growth of the agricultural economy, generate resources for the alleviation of hunger and redress the sufferings of the rural poor, especially rural women.

287. As an international financial institution, IFAD could play a vital role in assisting developing countries to achieve such goals. He therefore hoped that the developed countries would provide IFAD with additional resources that would enable it to increase its financial assistance to countries which had a potential for developing agriculture but whose resources were limited. Pakistan, which had already agreed to accept IFAD's intermediate lending terms, would appreciate a greater number of project loans for the development of agriculture in neglected areas and for crop protection and food preservation. At present five important projects were being funded by IFAD in his country, several others were in the pipeline and more could be identified with the support of IFAD missions.

288. Although the total amount of the Third Replenishment had not fully met his Government's expectations, the progress achieved in that respect was encouraging. Category III countries, including Pakistan, had come forward to support the Third Replenishment by contributing to the Fund in convertible currency but IFAD needed greater contributions from developed countries in order to sustain the momentum of its activities. His Government felt strongly that any structural changes made in the Fund should not be such as to harm its larger interests.

289. He approved the proposed Budget for 1990, the report on the Special Programme for Sub-Saharan Africa (GC 13/L.8) and IFAD's approach to the environment (GC 13/L.12). He recommended the creation of a separate fund for implementing the programme proposed in the environment document.

290. Mr. Al-Gaud (Libyan Arab Jamahiriya) took the Chair.

291. Mr. FISCHER (Germany, F.R.) alluded to the important events taking place in Central and Eastern Europe. He reiterated his Government's resolve that cooperation with its partners in the developing world should not be neglected as a result of the new challenges which those events posed.

292. He welcomed the Council's intention to reduce the length of its sessions from four to three days, thus substantially reducing costs as well as bringing IFAD more closely in line with other organizations.

293. While recognizing that the Third Replenishment constituted a basis for the continuance of IFAD's work in the coming year, he said that his Government wished that all partners had made similar efforts to achieve a higher replenishment level. As the President of IFAD had pointed out in his opening statement, the total amount was substantially below the overall amount mobilized during the Second Replenishment period. His delegation would participate actively in the forthcoming meetings of the High-level Intergovernmental Committee to consider the future structure of the Fund. The ideas put forward on the subject by the Swiss and Canadian representatives would be most helpful in that connection.

294. One of the tasks facing IFAD was to maintain its unique character while taking up new developmental challenges. The environment was a case in point. He was pleased to note that IFAD increasingly incorporated environmental issues into its project designs; he noted with interest that the Nigerian guest of honour at the opening meeting had stressed that subject as well as population growth and the role of women in development.

295. In the past his delegation had recommended the adoption of realistic targets in IFAD's Programme of Work and Budget. There were some positive signs that progress was being achieved in that direction and he hoped that it would accelerate. His delegation also hoped that the balanced attempts to review organizational and staffing requirements would bear fruit. It was grateful that Canada was giving IFAD financial support in that respect.

296. Besides the progress report on the Special Programme for Sub-Saharan Africa, his delegation had studied with particular interest the document on Environmental Sustainability and Rural Poverty Alleviation. His Government attached great importance to that subject, which would be one of the main global concerns of the 1990s. The Federal Republic of Germany was ready to support IFAD's environment-related activities through cofinancing. The report impressively underlined the crucial linkages between rural poverty alleviation, stemming population growth and stepping up environmental protection efforts. Those were vital global endeavours and IFAD with its grass roots activities had an important place in them. His delegation therefore appreciated the Fund's growing cooperation with non-governmental organizations.

297. The meeting rose at 6.35 p.m.

## (v) Summary Record of the Fifth Meeting of the Thirteenth Session held on Thursday, 25 January 1990, at 10.00 a.m. in Rome, Italy

Chairman : Mr. AL-GAUD (Libyan Arab Jamahiriya)

| | Paragraphs |
|---|---|
| Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989 (agenda item 11) | 299 - 358 |
| Fourteenth Session of the Governing Council (agenda item 14) | 359 - 367 |
| (a) Amendment of the Rules of Procedure of the Governing Council | 359 - 366 |
| (b) Date of the Fourteenth Session of the Governing Council | 367 |

298. The meeting was called to order at 10.25 a.m.

PROGRESS REPORT ON THE SPECIAL PROGRAMME FOR SUB-SAHARAN AFRICAN COUNTRIES AFFECTED BY DROUGHT AND DESERTIFICATION FOR 1989 (agenda item 11) (GC 13/L.8 and Add.1)

299. Mr. MANSURI (Director, Africa Division), introducing the Progress Report, on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989 (GC 13/L.8 and Add.1), said that the Special Programme, which had become effective in May 1986, was now completing its fourth year of operation. The Report gave an account of the resource situation and the status of commitment of available funds, the field progress for projects under implementation, and a summary description of projects approved by the Executive Board during 1989. Although the target of US$ 300 million had been achieved in January 1988, exchange rate fluctuations had resulted in total resources presently amounting to US$ 290 million: document GC 13/L.8/Add.1 provided an update of the situation as well as reflecting the first contribution by Australia and a further contribution by Finland.

300. The Report reviewed the progress of ongoing Special Programme projects, mostly entering their second year of implementation. In general, satisfactory start up - attributable to the grant funds available under the Special Operations Facility - had been achieved, although the Report also reflected some of the constraints.

301. Seven projects, as well as a loan for supplementary financing assistance and one regional grant, had been submitted under the Programme of Work for 1989. The expectation expressed at the Twelfth Session of the Governing Council that by the end of 1989 the total level of commitments would reach about US$ 230 million equivalent was close to realization, with current commitments of US$ 227 million for loans and grants, representing approximately 80% of available resources. The Special Programme was providing support to 23 projects and country programmes in 18 countries at the end of 1989. Projects and programmes for the remaining eligible countries would be submitted to the Executive Board in 1990, thus completing the process of commitment of available resources.

302. The projects presented in 1989 had continued to focus on increasing agricultural productive capacity while strengthening linkages for food processing, storage and marketing in rural areas. Additionally, the environment had emerged as an area of special concern and a major portion of the Special Resources for Sub-Saharan Africa (SRS) had been directed to environmental rehabilitation in drought-prone areas. Furthermore, the Special Programme had provided an opportunity to encourage regional collaboration: in 1989 a sub-regional grant for appropriate food processing technology for rural women had been approved for the West African countries and a positive response had been given to the request of the Sahelian and Maghreb countries to launch a programme for the preventive control of desert locust. The latter's main objective was to establish a mechanism to prevent the recurrence of outbreaks of the pest. The preparation report, finalized in collaboration with the Food and Agriculture Organization of the United Nations (FAO), had been

despatched to the governments concerned as well as to donor agencies for possible cofinancing consideration. He then reviewed a number of studies carried out under the Special Programme for which a preliminary overview paper was available on request. Complete individual case studies had also been sent to the governments of the countries concerned for their consideration.

303. On the subject of the relationship between the Regular Programme and the Special Programme he emphasized that they had been carried out in a complementary way; all SRS projects had passed through the same procedures and decision-making process as those of the Regular Programme and, moreover, implementation of the Special Programme had not overshadowed project preparation and approval under the Regular Programme, in which the level of commitments had been quite satisfactory.

304. In conclusion, he stressed that the additional resources mobilized under the Special Programme had permitted the Fund to provide a timely response to the socio-economic crisis of sub-Saharan Africa and that, although the assistance extended under the Special Programme was small in relation to the magnitude of the crisis, it had been significant because of its country focus, sectoral specificity, and target group orientation.

305. Mr. SAINTRAINT (Belgium), referring to the target which had been reached, pointed out that his country had paid well over US$ 35 million in cash. He hoped that those countries whose pledges were still outstanding would deposit the amounts in the very near future. He also stressed the importance of having a short account of the specificity of Special Programme activities.

306. On the question of locust control, he welcomed the fact that IFAD was cooperating closely with FAO and a constructive response to the problem should be made quite soon.

307. With regard to disbursement, he felt that the rate should be accelerated, as it appeared very low in relation to the target. He trusted that it would be stepped up to ensure that, before its fourth anniversary, the Special Programme was fully operational.

308. Mr. YENNIMATAS (Greece) said that more information was needed on the follow-up and monitoring of Special Programme projects.

309. Mr. SAID (Libyan Arab Jamahiriya) said that the Progress Report was particularly clear concerning the falling prices of agricultural commodities, which constituted an obstacle to economic recovery. Some excellent projects were under way and he highlighted the need to extend the Special Progamme in one form or another, urging donor countries to increase their contributions, so that the goals could be reached.

310. Mr. BULA HOYOS (Colombia) said that the Director, Africa Division, had been working tirelessly to implement the Special Programme. He was happy to note that the international community had responded satisfactorily by reaching the target of US$ 300 million and hoped that further contributions would make good the shortfall caused by exchange rate fluctuations. In addition to the various amounts paid by

industrialized countries, five African nations had made special contributions as evidence of their solidarity. He was gratified to note that the Special Programme was being implemented in full harmony with the Regular Programme and that assistance to African countries under the two Programmes had together accounted for about 50% of IFAD loans in 1989.

311. In view of the lack of improvement in the economic and social conditions in Africa, referred to in paragraph 3 of the Progress Report, he advocated an extension of the Special Programme for a further three years from 1991 - a decision to that effect would be required of the Council, which should also appeal to donors for further contributions.

312. Mr. JALLOW (Gambia, The) said that he was very interested to hear about the progress of the Special Programme, which benefited some of the least developed countries in Africa. He urged that the Special Programme should be extended and appealed to donors for that purpose.

313. The 1990s had begun with hope, an opening of minds and political changes and he trusted that those features would be paralleled at the economic level, with assistance being given in the form of grants and special loan terms. Experience had shown that if the usual terms were applied, development plans were doomed to failure. His own country had just signed a concessionary interest loan agreement and he appealed for all funds to be disbursed.

314. Ms. KORHONEN (Finland), speaking on behalf of the Nordic countries in IFAD, expressed her appreciation of the Special Programme, which continued to be a good example of the cost-effective, innovative project planning, implementation and management characteristic of IFAD. The Progress Report stressed its key elements of focus on critical sectors in the drought-stricken countries and emphasis on the environment, population problems and migration caused by wars and drought.

315. The Nordic countries' contribution to the Special Programme, amounting to over 25% of total contributions, reflected the importance they attached to it. They earnestly hoped that it would continue to exert a strong impact on IFAD's future regular activities and considered it important that the Executive Board should receive a report at its forthcoming Session on the concrete measures that management envisaged for the future incorporation of the Special Programme into the Regular Programme.

316. Mr. TRAORE (Mali), after pointing out that problems still faced certain African countries, said that assistance was urgently needed and concurred with the view that the Special Programme should be extended for a further three years. He thanked donor countries for their contributions in the past and appealed to them for further support and to the international community for early implementation of appropriate projects and programmes.

317. Mr. ACHARD (France) said that the Special Programme was necessary, justified and timely. It was being well implemented and coordinated and he congratulated those concerned. There was now a proposal that it

should be extended which his Government strongly supported. In that connection, it should be noted that the Fund had collected further contributions by remaining open. He hoped that many countries would continue to contribute to the success of the Special Programme, which should not, however, become a substitute for the Regular Programme.

318. Mr. HAMDI (Egypt) congratulated the Fund's management on the Special Programme and its efforts to alleviate certain problems, for example drought, desertification and desert locust. As the circumstances leading to its creation had not really changed and the spectre of famine still threatened many African countries, he appealed for the Special Programme to be continued for a further three years.

319. Ms. HLALELE (Lesotho) said that her country was receiving assistance under the Special Programme to make its agricultural extension service more cost-effective. She requested donors to continue their support and called upon more African countries to participate.

320. Mr. KABA (Guinea) said that there could be no contesting the importance of the Special Programme. His own country was a beneficiary, through a scheme it was helping to finance, in an area particularly affected by deterioration of the environment. In order to improve the situation in sub-Saharan Africa, he considered it necessary for the Special Programme to be extended for at least three years. After thanking the donors, he expressed the hope that countries which had hesitated previously to contribute would now overcome their reluctance.

321. Mr. BEN ROMDHANE (Tunisia) said that his country, beset by extreme weather conditions, was very grateful for the help it had received in the past. As severe and contradictory climatic difficulties persisted, he hoped that the Special Programme would continue to provide assistance to rural farmers in coping with their problems.

322. Mr. TREFFERS (Netherlands) said that he associated himself fully with the statement made by the Governor of Finland on behalf of the Nordic countries in IFAD.

323. Mr. KHAN (Pakistan) associated himself with the speakers who had advocated the continuation of the Special Programme and endorsed the appeal made to the donor countries to contribute generously in financing an extension. IFAD was to be commended for managing the Special Programme with such dedication and effectiveness and indeed for the way in which its worldwide operations were being conducted. In that context, he joined in urging all donor countries to increase their financial commitments to the Fund's Regular Programme in an effort to meet the enormous needs of the developing countries.

324. Mr. EDACHE (Nigeria) expressed deep appreciation of the efforts made by the donor countries and joined previous speakers in supporting continuation of the Special Programme. Nevertheless, he wished to draw attention to the fact that during the past year the fund flow to developing countries had been lower than that from developing countries and some explanation was required. Perhaps one of the reasons was to be found in the cumbersome withdrawal procedures and other conditions imposed by a number of agencies, which should be reviewed.

325. He regretted the fact that locust control focused mainly on desert locust, even though migratory locust and grasshoppers also constituted a threat. International assistance was required because the problem transcended national boundaries and he called upon IFAD to extend its locust control programme.

326. Mr. SALHA (Niger) reaffirmed his country's interest in the Special Programme. In Africa, the economic crisis was an everyday reality and responsibility for it was shared. African countries had demonstrated their ability to tackle the problems raised by the disequilibrium in international relations, but resources were not sufficient to overcome the immensity of the problems. Nevertheless, the reaction of some friendly countries and of a number of lending institutions had been positive. An exceptional situation demanded exceptional remedies. The Special Programme constituted a flexible and rapid response mechanism in adverse situations and it was time to consolidate its achievements. He welcomed the reference by the Director of Africa Division, to the programme on desert locust control since it was a good example of regional cooperation and IFAD-FAO collaboration.

327. Mr. MANSURI (Director, Africa Division), responding to the comments made, informed the Representative of Belgium that the disbursement rate was satisfactory in relation to the agreed model and was faster than that under the Regular Programme. Furthermore, every effort was being made to ensure a higher rate. On the subject of locust control, his approval of the IFAD cooperation with FAO had been noted.

328. In reply to the Representative of Greece, he explained that Special Programme projects were subject to inbuilt monitoring arrangements in the same way as Regular Programme projects; it was too early for an evaluation as yet, but when evaluation results were available they would be communicated to the Governing Council.

329. The Representative of Finland, speaking on behalf of the Nordic countries in IFAD and supported by the Representative of The Netherlands, had referred to the need to integrate the Special Programme into the Regular Programme. He wished to assure them that the Special Programme's impact on the Regular Programme was significant from the conceptual, operational and financial points of view. Some Special Programme projects would become part of the Regular Programme and there was considerable interaction between the two. The Special Programme had provided a timely response without adversely affecting any of the Regular Programme's activities. The Executive Board had discussed whether or not the emphasis should continue to be laid on sub-Saharan Africa and the consensus had been that the Special Programme should be extended.

330. He agreed with the representative of Nigeria that there was a need for an integrated approach towards locust control and informed him that FAO was already preparing a specific programme to combat migratory locust and grasshoppers.

331. Mr. AIDARA (Senegal) said that the Progress Report showed that the Special Programme was meeting expectations. The 23 projects and programmes cited demonstrated the Special Programme's flexibility and

efficacy, with the result that sub-Saharan African countries affected by drought and desertification were at last beginning to perceive a glimmer of hope. He appealed for international solidarity with a view to continuing and strengthening the Special Programme.

332. Mr. POWER (United Kingdom) reiterated the concern his delegation had expressed in the past regarding the Special Programme. Without wishing to belittle its achievements, he stated that the United Kingdom considered that regular programmes with statutory financing were the proper approach to the problems of sub-Saharan Africa. Efforts should be concentrated on building up the core structure. While he recognized that circumstances had been exceptional, that was no longer the case and Special Programme activities should now be incorporated into IFAD's Regular Programme. With regard to the extension of Special Programme activities, the Governing Council had not had sufficient time to examine the relevant Secretariat proposals and he could not endorse them without further study of their financial and personnel implications. In any event, he wished to state that his delegation had considerable reservations in that respect.

333. Mr. SALHA (Niger), after noting that the United Kingdom was a major financing partner for Africa, said that the previous speaker's concern was perhaps justified, but that projects had only begun to be implemented and should be allowed time to succeed. He had been surprised to hear the representative of the United Kingdom speak out so strongly against continuation of the Special Programme.

334. Mr. YILALA (Ethiopia) supported continuation of the Special Programme so as to permit completion of its projects and an improvement in living conditions in the countries involved. He appealed to donor countries once again to demonstrate their goodwill and their comprehension of the problems facing sub-Saharan African countries.

335. Mr. CEPEDA GAMITO (Mozambique) expressed appreciation for the assistance received from IFAD and urged the continuation of the Special Programme, appealing to donor countries to maintain or increase their contributions.

336. Mr. MOMBOULI (Congo) said that although some delegations still advocated incorporation of the Special Programme's activities into IFAD's Regular Programme, the persisting difficulties in sub-Saharan Africa warranted continuation of the Special Programme as a separate entity. He agreed with the Representative of Belgium that disbursement had not come up to expectations. Since there was a consensus in favour of continuing the Special Programme, the Secretariat should propose measures to accelerate the rate of disbursement.

337. Mr. KAI (Japan), while noting the importance and urgency of the Special Programme, underlined the need for an in-depth discussion of the subject at the forthcoming session of the Executive Board in April 1990.

338. Mr. NANJIRA (Kenya) noted with concern the reservations expressed by a good friend of Africa regarding the continuation of the Special Programme. Category III countries attached particular importance to the

Special Programme and wished to see the adoption of a resolution on its extension. In Africa, the need for such a Programme was manifest and he appealed to those who had expressed doubts to join in the consensus.

339. Mr. FISCHER (Germany, F.R.) stressed his country's ongoing commitment to Africa. The Federal Republic of Germany was one of the largest contributors under the International Development Association (IDA) IX and Lomé IV, which together totalled more than US$ 30 billion, a large part of which was devoted to sub-Saharan Africa. Nearly 50% of all his country's development assistance went to Africa. He expressed his Government's deep appreciation for the uncontestable merits of the Special Programme. Nevertheless, he shared the views expressed by the Representatives of Finland, on behalf of the Nordic countries in IFAD, The Netherlands and the United Kingdom.

340. Mr. BROWNHALL (Australia) expressed support for the Special Programme's activities and associated himself with the views of those speakers who had advocated integration of the Special Programme into the Fund's regular operations. However, it was a complex matter, particularly with regard to funding. If sufficient resources could be obtained, he preferred the core funding approach. If not, activities under the Special Programme should neither be reduced nor undermined. Australia did not have the resources to implement a bilateral programme in sub-Saharan Africa and therefore relied on multilateral agencies such as IFAD. It was aware, however, that the same result could be achieved by cofinancing projects developed under the Regular Programme.

341. Mr. SALHA (Niger) noted that there was a consensus in favour of continuing the Special Programme. He also expressed support for the proposal by the delegation of Kenya regarding a draft resolution.

342. Ms. BOUDJELTI (Algeria) reiterated her full support for the Special Programme and its continuation. Conditions in sub-Saharan Africa were so serious that the Fund could not fail to make a special effort to alleviate them.

343. Mr. KABA (Guinea) pointed out that while representatives of some of the developed countries had expressed reservations concerning the need to continue the Special Programme, none had denied its effectiveness or value. It would be regrettable to bring it to a halt if new donors were ready to support it, and he hoped that the information given by the Director of Africa Division, and the results yielded by the Programme itself would encourage donors to extend it.

344. Ms. DEREGIBUS (Argentina) considered that it would be a great loss if IFAD did not pursue an activity which had yielded such useful results and expressed her full support for the continuation of the Special Programme.

345. Mr. RABE (Madagascar) said that he had intended to express his views on the Special Programme in his general statement but that, in view of the way in which the debate was going and of the negative views

expressed, he believed it opportune to speak up in support of continuing the Special Programme at the present juncture. He appealed to the Governing Council to reach a consensus on the need to extend the Special Programme.

346. Mr. ZIDOUEMBA (Burkina Faso) said that he too had intended to speak on the subject in his general statement but felt impelled to say at present that, like many others in the region, his country had benefited from the Special Programme, whose impact on IFAD's target group had been most valuable. He sincerely hoped not only that the Special Programme would be continued but that funds for it would be increased. He realized that problems had been encountered in the early stages which could have led some donor countries to hold reservations about it. The results in the field, however, spoke so eloquently in its favour that he hoped they would convince donor countries of the need to pursue and strengthen the Programme.

347. Mr. M'BANGAS (Central African Republic) said that the Special Programme had been of great assistance to many African countries and that all were aware of how successful it had been. His own country, although affected by drought and desertification, was among those that had not benefited from it. It fully supported the Special Programme, which it believed should be extended to cover all affected Member States, including his own.

348. The CHAIRMAN observed that there seemed to be a need for the Governing Council to express its views on the matter in writing. He therefore suggested that a working group should be set up, composed of one representative from each Category, with the task of preparing, in cooperation with the Secretariat, a draft resolution taking all the views expressed during the debate into account, for submission to the Governing Council at its following meeting.

349. It was agreed to set up a working group.

350. Mr. BULA HOYOS (Colombia) suggested that the draft resolution to be prepared by the working group should include the following points: the extension of the Special Programme for three more years, from 1991 to 1993; the voluntary nature of contributions; the inclusion of components from the Special Programme in the Regular Programme; the submission of progress reports to the Executive Board; and a further review after three years.

351. Mr. LABARANG (Cameroon) said he hoped that the working group would bear in mind that the situation which the Special Programme had been set up to remedy was not a matter of passing concern. Drought and the inexorable encroachment of the desert were problems which would probably require decades, rather than years, to solve.

352. Mr. ACHARD (France) thanked the Chairman for his proposal and the Representative of Colombia for his suggestions. He believed that mention might also be made in the text to be submitted to the Governing Council of the reservations expressed concerning technical modalities, a matter which the Executive Board might usefully consider at its April Session.

Reference might also be made to the concern felt over the fact that the Special Programme, set up to meet exceptional circumstances, needed to be continued, and to the fears voiced that it might become a substitute for the Regular Programme.

353. Mr. POWER (United Kingdom) said he supported the Chairman's suggestion to set up a working group. It was important, however, that it should produce a realistic text. He had noted the surprise expressed by many speakers at the reservations of some donor countries; he himself had been surprised by what appeared to be a misunderstanding. He had always been under the impression that the Special Programme had been set up for a limited period and that the circumstances that had led to its creation, namely the disappointing level of funding for the Second Replenishment, were quite specific. Those responsible for drafting the resolution should take into account the fact that a substantial majority of donors believed that circumstances had changed and that activities under the Special Programme should now be incorporated in the Regular Programme. It might perhaps be appropriate to leave the books open for another year to see if further support was forthcoming from members of the Organization for Economic Cooperation and Development. It would be unfortunate to raise false hopes by opening up the Programme for three more years if, as might well be the case, financial support failed to materialize.

354. Mr. HARIBOU (Observer for the Economic Commission for Africa), speaking at the invitation of the Chairman in accordance with Rule 43 of the Rules of Procedure, said it was an honour for him to present the views of the Economic Commission for Africa (ECA) on the matter to the Governing Council. He first wished to thank the Director of Africa Division for his report and all donor countries for their support. The current debate had perhaps been lengthy because no comprehensive statement of results had been put forward by the beneficiary countries. A clear indication of the benefits obtained might have dispelled the doubts of donor countries about the effectiveness of the assistance they had provided.

355. In considering the continuation of the Programme, certain factors should be taken into account. For example, the introduction of bio-technologies offered hope to some countries adversely affected by unfavourable conditions. Moreover, present methods of intervention in Africa should perhaps be adjusted to current circumstances, bearing in mind the assistance available under ECA programmes.

356. Mr. SAINTRAINT (Belgium) pointed out that some donor countries had already made pledges to the Special Programme. It might be possible to devise provisional arrangements which would allow other donor countries to catch up with them. It would appear that some had made a serious attempt to do so, while others had not yet had time. A formula could surely be found that would allow the Special Programme to continue.

357. Mr. VALENZA (Italy) agreed. Contributions to the Special Programme were made on a voluntary basis and it was logical that the way should be left open for them to continue.

358. It was agreed that the working group, in cooperation with the Secretariat, would draw up a brief draft resolution on the subject and submit it to the Governing Council for consideration at its next meeting.

## FOURTEENTH SESSION OF THE GOVERNING COUNCIL (agenda item 14)

### (a) AMENDMENT OF THE RULES OF PROCEDURE OF THE GOVERNING COUNCIL (GC 13/L.10)

359. The CHAIRMAN recalled that Rule 2 of the Rules of Procedure of the Governing Council stated that "The Governing Council shall each year convene an annual session before the beginning of the succeeding financial year" and that, with one exception, all of its sessions had been held either in December of that financial year or in January of the following year. It had become evident that the month of January was the most convenient time for annual sessions. The Executive Board had wished to fix a suitable month in which those sessions should be held and, after considering the matter, had recommended that Rule 2 of the Rules of Procedure be amended as suggested in paragraph 4 of document GC 13/L.10 and that the draft resolution appearing on page 3 of the same document be adopted.

360. Resolution 61/XIII was adopted.

361. Mr. FISCHER (Germany, F.R.) suggested that it would be helpful to many members if the Secretariat were to provide the Governing Council with preliminary figures concerning the accounts for the financial year just ended at its session in January. He understood that, with the help of computers, such information might be provided reasonably easily.

362. Mr. BROWN (Vice-President of the Fund) said that the provision of such information would double the work of the Secretariat at a time when it was closing the financial accounts and preparing financial statements. It would lay a very heavy additional workload on the Secretariat if it were required to prepare interim reports as well as the other statutory reports at the end of the financial year. He suggested that the matter be submitted to the Executive Board for consideration and not pursued if it transpired that it would involve too heavy a burden.

363. Mr. FISCHER (Germany, F.R.) thanked the Vice-President for his reply. He had in fact been thinking of one or two pages of figures from the computer and not of an interim report. He agreed that the Executive Board might usefully study the matter, but believed that many Members would be grateful if arrangements could be made to provide them with such information.

364. Mr. LUST (Austria) said that he too would appreciate it if some data on the financial year just ended could be made available to the Governing Council.

365. Mr. BROWN (Vice-President of the Fund) considered that the question should be submitted to the Executive Board. A considerable amount of work would have to be done even to produce two pages of figures. Consideration might be given to reducing the gap between the end of the financial year and the date of Governing Council sessions.

366. It was agreed to submit the matter to the Executive Board for consideration.

(b) DATE OF THE FOURTEENTH SESSION OF THE GOVERNING COUNCIL (GC 13/L.11)

367. The CHAIRMAN pointed out that, in the light of the decision on agenda item 14(a), there was no need for the Governing Council to consider agenda item 14(b).

368. The meeting rose at 1.10 p.m.

## (vi) Summary Record of the Sixth Meeting of the Thirteenth Session held on Thursday, 25 January 1990, at 3.00 p.m. in Rome, Italy

Chairman : Mr. de LEON PRERA (Guatemala)

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369. The meeting was called to order at 5.05 p.m.

ENVIRONMENTAL SUSTAINABILITY AND RURAL POVERTY ALLEVIATION: OPERATIONAL ISSUES FOR IFAD (agenda item 15) (GC 13/L.12)

370. Mr. KESSEBA (Coordinator, Technical Advisory Unit, Project Management Department) said that the report on the item (GC 13/L.12) focused on the linkages between the productivity of the natural resource base and the alleviation of rural poverty, as well as identifying ways and means for ensuring that environmental considerations could continue to be taken into account in IFAD's operations. He expressed the Fund's appreciation for the contributions made by the Governments of Norway and Canada to assist IFAD's environmental activities. He also thanked the Government of The Netherlands for indicating its willingness to finance an extra-budgetary staff position for a technical adviser on the environment. Those various forms of generosity would strengthen IFAD's capacity to design and implement projects aimed at reversing the downward spiral of increasing poverty and environmental degradation. The strict application of the environmental criteria endorsed by the Executive Board would of course have implications for activities of IFAD that were financed out of its regular resources. The Fund's aim must be to ensure that environmental enhancement could make a positive contribution to poverty alleviation. Its environmental work should not be separated from its action in other sectors of development and wherever possible should be financed through regular lending operations.

371. However important environmental activities were for enhancing the natural resource base, they were difficult to justify by conventional economic criteria, since their benefits accrued in the long term. Countries might therefore be unwilling to borrow on current lending terms for certain poverty alleviation investments, with the result that new concessionary or grant mechanisms would have to be developed to cater for them. If IFAD was to become financially self-sufficient, its lending terms and criteria should not be altered. Case-by-case cofinancing was not the answer either. Since certain members of the Executive Board had been unable to endorse the "soft window" proposal for channelling bilateral resources through IFAD, it was essential that the Governing Council should provide the Fund with guidance on the matter.

372. Mr. BULA HOYOS (Colombia) said that the North had an ecological debt towards the South and could repay it by contributing towards economic development in the Third World. However, IFAD should not place exaggerated emphasis on ecological considerations; it should avoid duplicating the work of other agencies and concentrate on the tasks for which it was established.

373. Paragraph 3 of document GC 13/L.12 might give the impression that it was IFAD that had discovered the importance of ecological issues. In that field the Fund should utilize the services of the Investment Centre of the Food and Agriculture Organization of the United Nations (FAO), because its one staff member employed on environmental work could not provide on his own the services which IFAD required. However, there would be no objection to the Fund using for environmental purposes specially earmarked contributions that were furnished by the developed countries. Paragraph 3 should not be taken to mean that no project would be approved unless it had a high ecological content.

374. He disagreed with a number of points made in paragraph 31 of the report, particularly the statements that rural poverty alleviation was a prerequisite for achieving internal dynamism and that those of IFAD's projects which affected renewable natural resources must have a capacity for regenerating them. Sub-paragraph (g) expressed a principle unfavourable to indigenous communities, which in many countries needed and received financial assistance.

375. Paragraph 32 of the report called for the strengthening of IFAD's institutional capacity to deal with the environment; the employment of an environmental adviser was not really a "key element" in that process.

376. He was concerned at the fact that in paragraph 45 environmental management was said to be one of the basic prerequisites for project selection. There should be greater flexibility on that point.

377. His delegation approved the proposed Framework of Operations (GC 13/L.12, paragraphs 31 - 44) subject to the reservations he had expressed. With regard to the recommendations in the report, his Government did not believe that the progress report called for in paragraph 72(b)(ii) was necesssary. IFAD should continue to concern itself with ecological questions but all its action in that field should be taken within the Fund's modest terms of reference. The production of further long documents on the subject, which might prejudice the work of the United Nations Conference on Environment and Development, should be discontinued.

378. Mr. RABE (Madagascar) said he was convinced that poverty and hunger would never be overcome if the process of environmental degradation was not halted. The close links between sustainable development and poverty alleviation had been established and it was essential to promote income-generating, agricultural and other employment activities to cope with the phenomena of degradation. The creation of producers' organizations was a valuable means of developing solidarity and collective responsibility.

379. With regard to chapters V to IX of the report, while agreeing that projects likely to endanger the environment should if possible be avoided, he believed that applying effective environmental protection measures should not be a condition for the promotion of projects. It was essential to find a lasting solution to the financing of environmental preservation, for it was virtually impossible for developing countries to justify unproductive investments that would further increase their debt burden. The ecological balance of the world affected all countries and the international community must try to find a means of solving the problem.

380. The only way to help governments and rural communities in their efforts to preserve the environment seemed to be to set up a specific mechanism for that purpose, with adequate financial resources and the means of providing loans on concessionary or even grant terms. He hoped that such a mechanism might be set up as rapidly as possible so that environmental protection might become an integral part of all IFAD's development projects.

381. Ms. SCHJERVEN (Norway) speaking on behalf of the Nordic countries in IFAD, expressed her appreciation of the ideas presented in the report. A move from the formulation of general guidelines to practical action was overdue; the Fund should now define the issues on which it was to concentrate its activities. The report mentioned that environmental concerns were implicit in projects - they should now be made explicit through practical implementation.

382. She appreciated the importance attached by IFAD to formulating terms of reference for different projects and to providing for project evaluation at the design stage. Adequate staff training was needed on the implications of such issues in order to ensure that the Fund's general objectives were taken into consideration in day to day work. Ecological needs were much too large an area for one small organization to tackle. The challenge for the next decade was to ensure a better division of labour between all international and bilateral agencies in that field. The need for additional funding for the Fund's environmental work should be reviewed in the context of other international organizations and the forthcoming 1992 United Nations Conference on Environment and Development.

383. Mr. TREFFERS (Netherlands) said that he too approved the ideas expressed in the report. IFAD should make optimum use of the expertise of other organizations such as FAO. Its environmental activities should be geared to the needs of small farmers and the rural poor, who depended on natural resources. Since there were no short-term returns on investments aimed at protecting the environment, an appropriate course of action might be to mobilize additional cofinancing on a grant basis, preferably in ways that would meet the views expressed by the Coordinator. Speaking on behalf of the representative of New Zealand at the latter's request, he said that the Government of New Zealand recommended that emphasis should be placed on the sustainability of land and water resources in every appraisal and project report.

384. Mr. RAHMAN (Bangladesh) commended the report on environmental sustainability and rural poverty alleviation, a subject he considered one of the most important before the current session. The report clearly analysed the present situation and drew attention to the urgent need to set up a mechanism to deal with the subject. Environmental degradation affected all countries, rich or poor, large or small. Pollution of the air, water and even the soil had reached alarming proportions in the developed countries while over-exploitation of the land and massive destruction of natural resources were becoming a feature of the Third World. Indeed, environmental degradation might be said to constitute a threat and a challenge to all mankind, the time had certainly come to take action.

385. For obvious reasons, environmental degradation had more adverse effects on the developing than on the developed countries, the former being in no position to deal with them. Consequently, external bilateral and multilateral support in the form of additional concessionary resources was essential. He therefore welcomed the growing awareness of the problem and the increasing assistance available to the developing countries for that purpose, and wished to commend IFAD for the perception it had shown in bringing the question before the Governing Council. He fully supported the proposed framework of operations and the strategy outlined in chapters V, VI, and VII of the report.

386. Regarding the financial implications, it seemed clear that an adequate and regular flow of resources would be needed to address the problem effectively. In view of the limitations of the regular lending operations of IFAD, the setting up of an environmental facility in the form of a "soft window" would be the best mechanism for channelling the additional funds required. He therefore appealed to donor countries to give sympathetic consideration to the proposal.

387. Mr. LUST (Austria) welcomed IFAD's work on the environment. His delegation agreed with much of what had been said in the debate. It wished to add that a third element, population growth, was usually part of the vicious circle of rural poverty and environmental degradation. Only a small amount of work was devoted to that subject by the Fund. He did not wish to encourage IFAD to be active on population issues; nevertheless, since governments of developing countries were aware of the population problem, the Fund should use its contacts with international organizations and donors and its relationship with recipient countries to highlight the effect of population growth on the rural poor. The absence of a sound monetary system in many developing countries prompted farmers to accumulate livestock as a form of savings, with a consequent need for fodder and land that adversely affected the environment.

388. Mr. LABARANG (Cameroon) said that his Government was convinced that the Fund should concern itself with the environment, the protection of which constituted a challenge to the imagination and solidarity of humanity. It was necessary to find economically viable and socially acceptable solutions to a problem which was one of survival. IFAD seemed to be an appropriate institution for dealing with it in view of the complexity of the problem and the critical economic situation of the developing countries. He unreservedly approved the provision of adequate resources to enable IFAD to include an ecological component in its projects. The advantages of environmental protection were not immediately apparent to the rural poor. That did not mean, however, that he wished to shrug off the responsibilities of the developing countries towards the environment; all the same, he believed it was urgently necessary to find a solution to the problem on a durable multilateral basis without affecting resources for other development work.

389. Mr. ESTIVALLET DE MESQUITA (Brazil) expressed his appreciation of the report, which brought out the link between environmental sustainability and the alleviation of rural poverty. A distinction should, of course, be drawn between environmental issues facing the developing countries and those facing the developed countries; they could affect the very survival of the former while simply being a matter of choice for the latter. He consequently supported the improvement of environment-related elements in IFAD's work although he could not accept them as conditions for the approval of projects. The environment should be regarded as an additional priority that did not replace the main goal of reducing rural poverty. He endorsed the analysis in chapter VIII of the report on "Emerging Strategies" and agreed that there was a need for additional resources. Ways must be found of providing additional grant or concessional funding to finance selected environmental components which could not be reconciled with conventional cost-benefit analysis.

390. He asked for clarification of the "Environmental Principles and Criteria" set out in chapter V(A), with special reference to subparagraphs 31(b) and (g). In particular he hoped that the term "remote area dwellers", which would be interpreted differently in different parts of the world, would not bar such people from development support.

391. Mr. HAMDI (Egypt) welcomed the fact that the Fund included an environmental component in all programmes and projects, since there was a progressive link between rural poverty and environmental degradation. Some projects involving the environment did not lend themselves to traditional economic feasibility analysis. A study should therefore be made of ways of allowing IFAD to finance such projects; he suggested that a specific portfolio should be established or that cofinancing by donors and the Fund should be explored in order to enable IFAD to devote an additional part of its resources to protecting the environment.

392. Mr. BROWNHALL (Australia) associated himself with the statement made on behalf of the Nordic countries, particularly in regard to the need for practical action to implement the principles set forth in document GC 13/L.12. He also endorsed the Austrian delegation's remark about population pressure. The major questions, as he saw it, were how far IFAD should go in promoting off-farm employment activities as a means of meeting that pressure, bearing in mind the Fund's agricultural mandate, and to what extent it should call on other multilateral agencies to take up that issue.

393. Ms. DEREGIBUS (Argentina) said that her delegation endorsed the Secretariat's approach to the subject and recognized the importance of the Fund's role in dealing with it, since the matter was one of survival for the Third World. Her own country was doing its best to include environmental aspects in its development efforts. However, as the Executive Board recognized, environmentally oriented assistance given under normal loan conditions would merely aggravate the developing countries' indebtedness. Projects incorporating environmental components should not be imposed on developing countries, whose governments had to give priority to the most pressing problems - hunger, malnutrition, housing and health. She endorsed the recommendation that the manner in which the Fund could best address the relationship between environmental sustainability and rural poverty alleviation should be considered further. Supplementary funding by means of a concessional "window" or by some other method involving outright gifts or loans on very favourable conditions were among the possible courses of action. She was pleased that some developing countries appeared to share that view. She saw no need to defer action until the 1992 conference.

394. Mr. SALEH (Mauritania) said that he regretted the way in which some delegations seemed to be playing down the problem of environmental sustainability. In countries such as his the issue was of outstanding importance. He wished to thank the Fund for the ideas it had put forward on the subject and appealed to all Members to endorse them and support the Fund's efforts to assist those of the developing countries which particularly required assistance in environmental matters.

395. Mr. ZAKI (Sudan) stressed the value of the report for countries like his own, which did not have the necessary funds to deal with environmental problems. In appealing to donor countries and institutions to support the

Fund's endeavours in the field of environmental protection, he endorsed the recommendations contained in the report and emphasized the need for financing to take the form of grants rather than loans, which would merely aggravate the economic difficulties of the developing world.

396. Mr. IQBAL (Pakistan) said that the well-considered approach suggested by IFAD merited the Council's serious consideration. A mechanism would have to be created which would make it possible for the developing countries to deal with the problem of environmental degradation on affordable financial terms. The concept of bringing into existence "dedicated soft windows" was, in his opinion, a very good one; indeed, it was the only practical possibility. In reiterating his Government's strong support for the approach outlined in the document, he recommended approval being given to that idea.

397. Mr. MAYANJA-NKANGI (Uganda) stressed the close link between ecological degradation and technical backwardness. He said that IFAD's role in dealing with that relationship should extend as far as possible.

398. Ms. BAILEY (United Kingdom) said that the report contained an excellent set of guidelines for integrating environmental issues into IFAD's operations. Her delegation was not persuaded, however, that externalities impinged to any significant degree on the small-scale projects which characterized the bulk of IFAD's activities, and so it was not convinced that a case existed for considering mechanisms to introduce additional concessionality into its financing. Noting that the President intended to consider those issues further, she said that account should be taken of the study which the Development Committee (Joint World Bank/International Monetary Fund Ministers' Development Committee) at its meeting in the autumn of 1989 had requested the World Bank to undertake of the mechanisms and finance that might be needed to address environmental challenges facing developing countries. In conclusion, she asked for confirmation that the action which the Council was being invited to authorize under paragraph 72(b) of the report did not include the immediate endorsement of the "soft window" concept.

399. Mr. KESSEBA (Coordinator, Technical Advisory Unit, Project Management Department), replying to the points raised by the Brazilian delegate in connection with paragraph 31 of the report, said that the language employed was hardly likely to give rise to misinterpretation if it was borne in mind that the issue was placed within the relatively limited scope of IFAD's operations. The object was to try to help national authorities to arrest deforestation and other environmental degradation. The Fund was, it went without saying, especially concerned with enhancing the resource base of remote area dwellers. With regard to the point concerning the application of "Environmental Principles and Criteria", he reaffirmed IFAD's intention to use the principles set out in the report, not as a condition for financing, but as guidance in the dialogue with borrowers with a view to reaching a common understanding.

400. Commenting on the remarks of the Australian delegate, he said that IFAD's reputation rested not on the amount of resources it could transfer to developing countries but on its ability to propose new development models which could be replicated by other institutions. In that connection, he stressed IFAD's close cooperation with the other Rome-based agencies, especially FAO; environmental concerns formed part of that cooperation.

401. Replying to the delegate of the United Kingdom, he said that the Council was being asked to recommend to the Executive Board that it give further consideration to the subject with the aim of achieving consensus on an appropriate support mechanism for dealing with it.

402. Mr. RABE (Madagascar) said that in view of the explanations provided by the Coordinator, he was happy to endorse the recommendations in the report.

403. After a discussion in which Ms. DEREGIBUS (Argentina), Mr. ESTIVALLET DE MESQUITA (Brazil), Ms. BAILEY (United Kingdom), Mr. FISCHER (Germany, F.R), and Mr. BULA HOYOS (Colombia) took part, the CHAIRMAN suggested that the Governing Council should take note of the sequel to the Progress Report on IFAD's Approach to Environment, Sustainable Development and the Role of Small Farmers (GC 12/L.11), contained in document GC 13/L.12, and approve, with the reservation expressed by the Delegation of Colombia, the recommendations set out in paragraph 72 of the document.

404. It was so decided.

## ELECTION OF MEMBERS AND ALTERNATE MEMBERS OF THE EXECUTIVE BOARD (agenda item 12) (GC 13/L.9)

405. The CHAIRMAN announced that, in accordance with the relevant Rules of Procedure of the Governing Council, the Governors of Category I had selected the following Member States to sit on the Executive Board: Germany, F.R., Italy, Japan, The Netherlands, Norway and the United States; and the following as Alternate Members: Belgium, Canada, France, Sweden and United Kingdom.

406. The Governors of Category II had selected the following countries as Members of the Board: Algeria, Indonesia, Kuwait, Nigeria, Saudi Arabia, Venezuela; and the following as Alternate Members: Gabon, Iran, Iraq, Libyan Arab Jamahiriya, Qatar, United Arab Emirates,

407. The Governors of Category III had selected Lesotho and Senegal as Member and Alternate Member respectively, for the African region and India and Thailand as Member and Alternate Member respectively, for the Asian region. Accordingly, he declared those members elected to their respective positions in the Executive Board.

408. Mr. SAINTRAINT (Belgium) said that Belgium and Luxembourg wished to seek the Governing Council's approval for occupying in rotation the Alternate Member's post to which Belgium had been elected.

409. Mr. LUST (Austria) said that one country in his constituency had renounced the constituency agreement. The matter had been discussed but no agreement had been reached. He therefore wished to be placed on record as not having supported that country in the present election.

410 Mr. DAHAL (Nepal) said that Cyprus and Nepal had agreed to exchange their positions on the Board, so that Nepal would now be a Member of the Executive Board and Cyprus an Alternate Member.

GENERAL STATEMENTS (agenda item 6) (continued)

411. Mr. KARIMANZIRA (Zimbabwe) said that during the decade since independence Zimbabwe had learned some important lessons in agricultural development. At independence, Zimbabwe had inherited a well diversified administrative and physical infrastructure, but it had had to deal with demand from the rural population for more land and improved services. Although the economy had not realized its full potential due to a number of problems, such as emigration of skilled manpower, external military disturbances, drought and certain policy choices, it had nevertheless performed better than many economies in sub-Saharan Africa. Like many developing countries, Zimbabwe had a number of objectives related to agricultural pricing policy, such as efficient economic development, economic stability, equitable distribution of income and food security. Those objectives had been pursued through investment in agricultural development, foreign exchange management, protection of the domestic economy from external shocks, regulation of input and output prices and direct control of food marketing.

412. The agricultural sector in Zimbabwe had historically been of a dual nature with large-scale commercial farming producing crops for the domestic and export markets and small-scale farming focused mainly on maize. There was a need to diversify small-scale farming into high-value crops with export potential and to provide off-farm employment. Fluctuations in prices and demand for agricultural commodities created serious income problems for producers, which could be alleviated through transfer of resources to other more productive sectors. A system of multiple crop and livestock activities could generate more stable incomes for producers and could lead to better use of available resources. Experience in Asian countries showed that growth in per caput income led to increased consumption of agricultural commodities.

413. The trend in Zimbabwe during the 1990s would inevitably be towards greater agricultural diversification. The link between trade and macro-economic policies, and the agricultural sector would be strengthened because exchange rate policy, commercial trade policy, fiscal and monetary policies all had a direct impact on food and agricultural policy, particularly in the process of diversification. As agricultural development proceeded, diversification would have to be extended to the economy as a whole, especially if per caput incomes in agriculture were to keep pace with those in the non-farm sector. Policies and programmes would have to be adapted to the changing needs of farming communities and the agricultural economy within which they operated. IFAD should continue to support agricultural diversification and export promotion because there was growing recognition that food security did not only mean national self-sufficiency but also improved production of cash and export crops and increased intra-regional trade.

414. Finally, he thanked countries in all Categories which had contributed to the Third Replenishment and assured the Council that in Zimbabwe women would be the major beneficiaries of assistance. He deeply appreciated IFAD's valuable contribution towards the eradication of rural poverty.

415. Mr. AFOME-NZE (Gabon), welcomed the admission of Myanmar and Malaysia as Members of IFAD. He said that the prevailing favourable international climate must not be allowed to obscure the continuing deterioration of the critical situation which faced the developing countries despite their efforts to redress their economies. More than ever the problems of food security in the Third World called for North-South, South-South cooperation and solidarity, and that there should be central to the Council's concerns. Commending IFAD's past record in meeting those problems, his delegation urged the Fund to continue consolidating and strengthening its links with other international organizations that were working to improve the lot of the world's rural population. He therefore welcomed the establishment of a permanent inter-secretariat mechanism in Rome and supported the President's proposal that each Head of the Rome-based United Nations food agencies should address the supreme governing body of the other agencies on the opening day of their meetings, and that they should all speak with one voice in the same forum to celebrate World Food Day.

416. His country unreservedly approved the Programme of Work and Budget of IFAD for 1990, particularly the innovative cost-effective measures to respond to the specific needs of the rural poor, and especially of rural women, in a way which paid due regard to socio-economic and environmental considerations. As far as the Fund's administrative budget was concerned, pending the conclusions which the High-level Intergovernmental Committee might reach on the subject, it was Gabon's wish that IFAD's administrative structure should remain small. Flexibility and efficiency were also essential.

417. The positive results of the Special Programme for Sub-Saharan Africa prompted his Government to give wholehearted support to IFAD's work in mobilizing the resources needed to continue implementing the Programme's projects.

418. The Gabonese Delegation supported the recommendations on strategies for poverty alleviation that took into account environmental sustainability. Gabon, whose economic growth was based primarily on petroleum, accorded top priority to food security. It was highly appreciative of the recent agreement concluded with the Fund for the financing of a project to support rural smallholders.

419. Mr. BAPTISTA (Angola) welcoming Myanmar and Malaysia as non-original Members of the Fund and assured the Council of his country's continuing cooperation with it. He thanked those countries that had supported the Angolan project recently approved by the Executive Board, although he failed to understand why some countries had been reluctant to back it, since it was crucial to small farmers in his country. Prolonged drought in Angola in the previous year, compounded by floods, would undoubtedly have serious consequences for the food security of the population. He therefore appealed to the international community to increase its aid to the people of Angola.

420. His Government was also seriously concerned by the effects of desertification in the province of Namibe. The encroaching desert was affecting urban settlements, industrial infrastructures and communications and could spread further. He appealed to the international community, and IFAD in particular, to assist his Government's own efforts to protect the municipality of Tombwa.

421. Deforestation represented a major threat to the ecological balance and had potential global repercussions. He therefore welcomed any measures to protect that natural heritage. On the wider environmental issue, the developed countries and multilateral financial institutions should assist developing countries and regions in their efforts to protect their environment, by making additional resources available to the Fund for that purpose.

422. He welcomed the conclusion of the negotiations on the Third Replenishment but regretted that the original target had not been met. Credit was due to IFAD for the rational utilization of its resources in the first phase of the Special Programme for Sub-Saharan Africa. He was in favour of maintaining and strengthening the Programme and thanked those countries that had expressed their willingness to continue to finance it.

423. Mr. SYKES (United Republic of Tanzania) welcomed the accession of Malaysia and Myanmar, which showed that IFAD continued to grow. The Fund's work in meeting the aspirations of the rural poor was commendable, as testified by the Programme of Work for 1990, which he fully endorsed, with its key themes of project development and participation of beneficiaries in planning and implementation. Moreover, he appreciated IFAD's approach to rural poverty in his own country, where projects had been targeted on smallholder development, demonstrating that the objectives of the Special Programme were being fulfilled.

424. The United Republic of Tanzania also appreciated the efforts made during the Third Replenishment of IFAD's resources - long and difficult consultations had resulted in success thanks to the tireless efforts of participants from all Categories. He thanked the members of Category III, who had raised their contribution level well above that of the Second Replenishment and paid tribute to members of Categories II and I for their contributions.

425. The Progress Report on the Special Programme showed IFAD's serious involvement in seeking solutions to the major problems affecting the countries of sub-Saharan Africa. The Special Programme, of which his country was a grateful beneficiary, had been of great assistance and should be extended beyond its present term.

426. The environment was another issue which he thought deserved special attention at the current session. Man's depredations involved a heavy cost in the long run and it was therefore of vital importance that environmental consequences be taken into account in project formulation, although that was not easy. The environment and development must be linked if sustainable development was to be achieved and the environmental dimension should be covered in the financing to ensure realistic cost benefit analysis. He felt certain that the Executive Board would consider ways of making provision for the financing of environmental issues.

427. In conclusion, he paid tribute to the President of the Fund for his excellent leadership and to the staff.

428. Mr. STRBAC (Yugoslavia) said that the Declaration adopted at the Ninth Conference of Heads of State or Government of Non-Aligned Countries held in Belgrade in September 1989, had stressed the improvement in the world political climate. Today, ideological prejudices were being replaced by dialogue, interdependence was growing and world peace remained the ultimate goal. International economic relations were changing radically and progress had been made towards finding solutions to regional and global problems. On the other hand, there had been a dramatic deterioration in the economic situation of the vast majority of the developing countries, especially the least developed among them, which were suffocating as a result of capital outflow and their diminishing purchasing power. In some places, development had come to a complete standstill and social tension was on the increase.

429. The Belgrade Conference had therefore given priority to economic questions, concentrating on dialogue and cooperation, without neglecting self-criticism and an effort to be practical. Discussion had led to the adoption of a number of documents on economic matters as well as on topics fundamental to the activities of IFAD, reflecting the united position of the hundred non-aligned countries, together with an appeal to the developed countries to open the North-South dialogue in order to find common approaches and agreed solutions to the outstanding economic problems of the world. Furthermore, the Conference had stressed the role of IFAD as a significant source of agricultural development, and its equitable system of decision-making.

430. With reference to the environment, he was gravely concerned at the consequences of inadequate protection and at the danger to which many developing countries were exposed. He therefore urged that greater attention should be devoted to national programmes and international protection in that field. In that connection, he was encouraged by IFAD's active position on the question of providing resources for environmental conservation.

431. He was seriously concerned also at the continued deterioration of the economic and social situation in most African countries and considered it indispensable that the developed countries and the multilateral institutions increase resource flows to Africa and improve the terms and conditions of disbursement. The Special Programme was an imaginative answer to those challenges and all its contributors deserved congratulation. He agreed with those who believed that the Programme should be continued by inviting further voluntary contributions from donor countries with a view to consolidating the breakthroughs of the first phase.

432. The relaxation of tension in the world should provide greater opportunities for cooperation, particularly necessary in the North-South direction, and he believed that IFAD could make an important contribution to the work of the forthcoming United Nations Special Session of the General Assembly Devoted to International Economic Cooperation.

433. Mr. MAYANJA-NKANGI (Uganda), welcomed Malaysia and Myanmar to membership in IFAD. He hoped that the present reduction of global tensions would lead, as was only logical, to developed countries stepping up their cooperation with developing countries. His delegation considered that the President's five-point proposal to increase the specificity of IFAD's programmes would go a long way towards enhancing the efficiency and

effectiveness of IFAD's delivery system for the benefit of its target group. The fact that rural dwellers constituted the bulk of the population in developing countries - 90% in his own country - and yet remained largely untouched by the benefits of development meant that a huge and challenging task lay ahead.

434. Although trade issues might not lie directly within IFAD's mandate, the Fund must concern itself with the question of ensuring access by the developing countries to the developed countries' markets at remunerative prices in order to raise the incomes of their rural poor and alleviate hunger. South-South cooperation should also be intensified in that respect.

435. It was gratifying to note from the Programme of Work and Budget of IFAD for 1990 that the Fund was set for a higher level of performance in the coming year, a trend he hoped would continue throughout the decade and beyond. Among the particularly commendable principles and courses of action were improved targeting of the rural poor and women, the greater effort by IFAD to initiate its own projects and seek cofinancing from other institutions, and its support for international research institutions. His delegation approved both the Programme of Work and the Budget for 1990.

436. Since environmental degradation would result in project failure and steadily growing hunger and poverty among the rural poor - which would ultimately have global repercussions - environmental issues should be adequately addressed in IFAD's work programme. That would require additional financial support. The cure for environmental degradation, for example deforestation, lay partly in raising the level of technological development of the developing countries. IFAD must collaborate with the relevant organizations to that end.

437. The content of the Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989 reflected the success of the Programme since its inception. That had resulted from innovative project design and implementation which met the immediate socio-economic concerns of the rural poor and took into account long-term environmental considerations. His delegation strongly supported the mobilization of voluntary contributions for the extension of the Special Programme. That step was justifiable, bearing in mind the shortfall in funds produced by the Third Replenishment, the fact that most of the Programme's projects were still in the early stages, the worsening economic situation of beneficiary countries, and the sound management of the Special Programme to date.

438. Ms. HLALELE (Lesotho) said she hoped that the easing of tensions and the spirit of openness evident on the international scene would help to mobilize greater economic and financial resources for the purpose of helping the developing countries to emerge from their critical economic situation. IFAD's efforts to alleviate the plight of the rural poor in the past decade had not gone unnoticed.

439. She hailed the constructive spirit that had prevailed in the Third Replenishment negotiations and commended the outstanding efforts made by the three Categories to support the Fund. Although the original target had not been met, it was gratifying that a higher level of resources had been achieved than for the Second Replenishment and that reflows from past

lending activities were expected to grow in 1990-1992. The proposed Programme of Work and Budget for 1990 incorporated the zero growth principle; it should command unanimous approval in view of the fact that the donor countries favoured that principle being adhered to in all United Nations agencies.

440. She noted with satisfaction that the study on organizational and staffing requirements was in progress and that the interim report on the subject would be reviewed by the Executive Board in April 1990. Canada was to be commended for its financial support for the study and she hoped that other donor countries would be similarly generous with extra-budgetary funds for IFAD's operations. Pending the results of the study, the proposal to establish core staff positions was justified; she therefore approved the inclusion of a provision for additional staff in the 1990 Budget.

441. The grave degradation of the natural resource base and its consequences for economic and social development were a matter of great concern. Document GC 13/L.12 presented a number of interesting proposals on the subject. She endorsed the comments it contained on inter-temporal and reciprocal externalities and she fully approved the development by IFAD of innovative approaches that would combine short-term benefits with long-term environmental benefits. IFAD was to be encouraged in the development of projects which addressed the problems of open access resource use, as in the case of the communal grazing system. Lesotho would be happy to benefit from such projects. Her delegation further supported the proposal to devote increasing attention to off-farm employment generation in marginal areas, a matter of particular relevance to her country.

442. Her delegation also endorsed the proposed measures to strengthen the Fund's institutional capacity to manage environmental sustainability strategies. Since developing countries were unable to meet the cost of certain components of IFAD's strategy, she wished the President of the Fund and the High-level Intergovernmental Committee to be authorized to consider alternative means for meeting the financial implications of environmental strategies.

443. The progress of projects under the Special Programme for Sub-Saharan Africa was encouraging. In view of the continuing hardships experienced by the countries concerned, as well as the pilot projects needing consolidation and the shortfall in the Third Replenishment, the Special Programme should be continued through voluntary contributions, thus ensuring a long-term rehabilitation strategy for sub-Saharan Africa.

444. IFAD-funded projects in Lesotho were particularly to be commended for their innovative participatory approach and the emphasis placed on under-privileged groups, particularly women. The new client demand concept held promise of bringing the smallholder fully into the mainstream of research and extension work. With IFAD's assistance, Lesotho had embarked on soil and water conservation and agroforestry programmes.

445. Mr. Al-Gaud (Libyan Arab Jamahiriya) took the Chair.

PROGRESS REPORT ON THE SPECIAL PROGRAMME FOR SUB-SAHARAN AFRICAN COUNTRIES AFFECTED BY DROUGHT AND DESERTIFICATION FOR 1989 (agenda item 11) (continued) (GC 13/L.8 + Add.1 and GC 13/C.R.P.2)

446. THE CHAIRMAN invited the Governing Council to adopt the draft resolution on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification contained in document GC 13/C.R.P.2.

447. Mr. FISCHER (Germany, F.R.) proposed the insertion of the words "and the European Community" after "contributions made by Members of IFAD" in the second preambular paragraph, in view of the substantial contribution of nearly US$ 18 million made by the European Community.

448. Mr. POWER (United Kingdom) expressed his gratitude for the spirit of cooperation displayed in the working group. He associated himself with the amendment proposed by the representative of the Federal Republic of Germany and also proposed that the words "for an appropriate action" at the end of subparagraph B of the operative paragraph should be changed to "for decision", as agreed in the group.

449. Mr. SAINTRAINT (Belgium) supported the amendment proposed by the representative of the Federal Republic of Germany. The Spanish text of the draft resolution spoke not of "an appropriate action" but of "appropriate measures". That being a more flexible formulation, he proposed that the English and French texts be brought into line with the Spanish.

450. Mr. MAYANJA-NKANGI (Uganda) proposed that the words "possibility of additional voluntary contributions" in subparagraph A of the operative paragraph be amended to read "the necessity of making additional voluntary contributions". While not binding any donors to make contributions, it would help to reflect the importance attached to the question by the countries concerned.

451. Mr. SAINTRAINT (Belgium) said he understood that the representative of the United Kingdom agreed with his proposal on taking the Spanish text as the model for the wording of subparagraph B.

452. Mr. ACHARD (France) pointed out that the draft resolution constituted a compromise and consensus text. When it spoke of "donors", it was understood that the reference was to all donors, in Categories I, II and III.

453. The draft resolution was adopted, with the amendments proposed by the Federal Republic of Germany, the United Kingdom and Belgium.

OTHER BUSINESS (agenda item 16) (continued)

454. Mr. GARBA (Niger) drew attention to the fact that no decision had been taken on the draft resolution in document GC 13/C.R.P.1.

455. The CHAIRMAN, noting the non-controversial nature of the draft resolution, asked whether, in view of the lateness of the hour, the Governing Council would be prepared to adopt it without discussion.

456. Mr. TREFFERS (Netherlands), supported by Ms. BAILEY (United Kingdom), expressed some misgivings about the draft resolution's usefulness.

457. Mr. SAID (Libyan Arab Jamahiriya) wondered whether the draft resolution might not be adopted in the form of a recommendation.

458. Mr. GARBA (Niger), explaining that the purpose of tabling the proposal had been to emphasize the importance of cooperation and coordination among the Rome-based agencies, withdrew the draft resolution.

## CLOSURE OF THE SESSION

459. The CHAIRMAN said that the Thirteenth Session of the Governing Council of the International Fund for Agricultural Development had been honoured by the presence of The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic, a representative of the industrialized countries which had consistently supported IFAD, and of Vice-Admiral Augustus Aikhomu, Chief of General Staff of the Federal Republic of Nigeria, a Category II Member country that had played a prominent part in the establishment of IFAD.

460. The general statements by the Governors and Alternate Governors had reflected the far-reaching hopes placed in the Fund by all peoples, and had confirmed their full commitment to its mission and to the principles that it sought to serve. Noteworthy in that respect had been the statement by the President of the Fund on IFAD's plans for facing the challenges of the 1990s. The Council had been pleased to learn of the President's endeavours to develop ways and means that would enable IFAD, by rationalizing its operations, to surmount those challenges, which included the deterioration of the situation in sub-Saharan Africa, the alleviation of poverty without prejudice to the environment and assistance to small farmers, the rural poor and the landless in raising their incomes.

461. Reviewing some of the conclusions reached by the Council, he recalled the welcome extended to Malaysia and Myanmar as the two most recent Members of the Fund. The Council had also noted with satisfaction the attendance, for the first time, of the People's Republic of Bulgaria, as an Observer. Those two events emphasized the Fund's universality.

462. The Council had approved the Programme of Work and Budget for IFAD for 1990 in an amount of US$ 38 700 000 as well as approved expenditure for the Special Programme of US$ 3 900 000. It had welcomed the emphasis on operations reflecting IFAD's specificity within projects that the Fund itself initiated. The Council had also commended the intention to improve administrative efficiency through a study of the Fund's organization and structure, while praising the President's undertaking to reduce administrative expenditure without prejudicing the Secretariat's performance. In addition, the Council had elected new Members and Alternate Members of the Executive Board, who would, he felt sure, contribute to the efficiency of its work. The proposed Evaluation Committee would certainly provide useful support.

463. The Council had taken note of the Report of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure, dealing with the financing of IFAD's future operations, and had adopted the draft resolution appended to it. The draft resolution invited the High-level Intergovernmental Committee to continue its work, and requested it to hold its first formal meeting preferably before 30 June 1990 and to submit a report on its work, through the Executive Board, to the Fourteenth Session of the Governing Council. A number of Governors had stressed the importance they attached to the continuation of the High-level Intergovernmental Committee's work. The atmosphere of constructive cooperation which had prevailed at the Committee's informal meetings augured well for the future and for the establishment of a new and solid basis for IFAD's financial structure.

464. The Council had called upon the President to continue IFAD's present policy of encouraging collective participation, off-farm work through the development of micro-enterprises contributing to food production, and attention to rural women through a generous share of loan funds and the development of specially designed technologies, thus contributing to what the President termed a "positive bias towards women". The Council had also welcomed IFAD's pioneering role in resolving the problems of the rural poor.

465. As regards the Third Replenishment of IFAD's resources, the Council had noted the level attained, which exceeded the level of core resources committed to the Second Replenishment. It had appealed to Members which had not yet announced their contributions, had not paid them or had not deposited their Instrument of Contribution to do so without delay. The Council had expressed its satisfaction at the spirit which had prevailed in the discussions on the Third Replenishment between the three Categories, and had applauded the additional contributions by a number of countries which had thus expressed their commitment to IFAD's objectives in spite of economic and financial difficulties.

466. The Council had decided to amend Rule 2 of its Rules of Procedure, changing the month of future annual sessions of the Governing Council from December to January of the succeeding financial year, in order to avoid conflicting with meetings of other organizations.

467. The Council had expressed particular approval of the invitation extended by the President to the Heads of the Rome-based international organizations concerned with food and agriculture to further coordinate their work with a view to enhancing their effectiveness. The Council had also expressed its appreciation of Italy's support for IFAD in its capacity as host country, and had taken note of the statement by the Governor for Italy that his country was making every effort to settle the issue of a permanent headquarters for the Fund.

468. The Council had considered the Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989. Speakers had expressed their appreciation of the fact that some US$ 290 million had been pledged or contributed to the Special Programme, which was implementing 23 projects in 18 countries.

469. While recognizing the significant achievements of the Special Programme, a majority of Members had stressed that conditions prevailing in sub-Saharan Africa still merited special attention. The fundamental structural problems remained unchanged, making it necessary for IFAD to continue to design and implement projects and programmes that addressed those essentially long-term difficulties. The Governing Council had therefore adopted a resolution calling upon the President to consult donors about the possibility of additional voluntary contributions to the Special Resources for Sub-Saharan Africa for a further three years without prejudicing deliberations on the mobilization of core funding for IFAD's resources. The President would report back to the Council at its Fourteenth Session through the Executive Board on the results of those consultations.

470. Another important issue discussed at the Session had been that of the link between environmental sustainability and poverty alleviation. The debate on that item had been very constructive and he was pleased to note that a decision on the subject had been adopted unanimously; the Governor for Colombia had, however, expressed a reservation on the issue.

471. The Fund's performance had been hailed by all and thanks had been addressed to the President and his staff for the excellent work performed. In concluding, he wished also to associate himself with those expressions of appreciation.

472. The Chairman declared the Thirteenth Session of the Governing Council closed.

473. *The meeting rose at 9.00 p.m.*

## B. OTHER GENERAL STATEMENTS BY GOVERNORS AND OBSERVERS

### Statement of the Alternate Governor for Argentina

Mr. Chairman,
Distinguished Governors,

I should like to begin by expressing my pleasure at seeing you chair this session of the Governing Council, and congratulating the other members of the Bureau on their election. I am sure that under your chairmanship the fairness and dynamism which were the virtues of the previous Chairman, Minister Gerrit Braks, will continue. And I should like to express my country's most sincere appreciation of his chairmanship and personal commitment.

I should also like to welcome the Federation of Malaysia and the Union of Myanmar to membership of IFAD. We are pleased to see the membership of the Fund growing in numbers, because this emphasizes the acknowledgement of its unique role in the multilateral system.

The present state of the institution is substantially better than it has been during the past few years. The negotiations on the Third Replenishment have been completed and although they did not yield the results we had hoped for they appear to be sufficient to ensure that the Fund is able to perform adequately in the near future.

We must, however, learn a few lessons from the Replenishment which will certainly be useful for the deliberations of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure. As a distinguished colleague said a few days ago, this has demonstrated both the strength and the weakness of IFAD, and also the degree of commitment of the three Categories. In this connection we should like to express our appreciation for the supplementary resources that have been made available by Category I in response to the extraordinary effort made by Category III. In our opinion, this arrangement made it possible to complete a replenishment which appeared uncertain. However, as has already been said at this very session, it does not seem likely to be repeated. It is therefore the responsibility of the members of the Fund to make a renewed effort to analyze all the relevant issues in order to define the ways in which the Fund will operate in future, so that what happened during the Third Replenishment does not constitute a precedent. The economic and financial prospects of the developing countries in Category III do not give cause for optimism.

In this connection, Mr. Chairman, and in order to be brief I should like to endorse what was said by the Distinguished Governor for Ghana yesterday. At the same time, we should also like to express our conviction that the Category III countries - which include my own - made this extraordinary effort for the Third Replenishment with the clear intention of maintaining IFAD's present structure and objectives, and that it is not realistic to expect that any substantial changes should be made to alter these essential characteristics.

I should now like to consider a number of specific aspects of the Fund's task. We are pleased to note that the Secretariat intends to raise the general level of commitments in the period of 1990-92. Increasing the number of identification activities will ensure that the specific objectives and the particular focus of IFAD can be fully applied, and improving the supervision of the projects IFAD is financing will certainly help to ensure that the desired results are obtained.

We also support the commencement of the research programme through which technical assistance grants will be provided to encourage the establishment of centres of excellence in the Third World, to study the specific problems identified by the Fund throughout the years. We believe that the Fund can help generate a solid technology which will help the rural poor to improve their lot, using both their potential as human beings and their native genetic resources. The chances of success will be all the greater if the technology is generated in the developing world in an original and innovative spirit rather than using the expensive and conservative technology currently being applied. This also applies to vocational training.

As far as the Fund's activities in relation to the environment are concerned, we agree with the basic approach presented by the Secretariat to this Governing Council which highlights the need to find appropriate solutions to the problem of financing these activities. The close connection between environmental problems and poverty in the developing countries shows that IFAD has an important role to play in assisting these countries in relation to the rural environment. The sustainability of natural resources in general is, Mr. Chairman, a question of survival for the Third World, a question which takes on features that do not exist in the affluent countries that have other sources of wealth. My country, like many others, is therefore committed to endeavouring to incorporate the problem of sustainability into its development effort.

Nevertheless, as the Secretariat document so clearly points out, and as the Executive Board has emphasized, the normal loan terms aggravate the developing countries' external debt situation, without the part of the loan to be used for conservation purposes being a productive short-term investment. Our countries cannot be forced to negotiate projects with these components, for we must necessarily give priority to activities which solve the most acute problems of hunger, malnutrition, housing and health. This is why we share the concern already mentioned here that the Secretariat and the Executive Board should continue to study possibilities for supplying supplementary funding for the environmental components of projects by creating a "concessional window" of the Fund or by some other method which will ensure that resources are available on particularly favourable terms, or as grants for the developing countries. We are pleased to see, Mr. Chairman, that a number of the industrialized countries are in favour of cooperating with the Fund in the search for solutions of this kind.

Lastly, Mr. Chairman, we wish to mention our appreciation of the dedication that the President of the Fund and the Secretariat personnel have constantly demonstrated in the pursuit of the institution's objectives. In this connection we wish to support the general lines of work which Mr. Jazairy sketched out yesterday, and for the study on the organization of the Fund in 1990. We look forward to being briefed on the results at our next meeting.

And most particularly, we support the continuation of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification in order to fully consolidate the benefits achieved during the first stage.

Thank you, Mr. Chairman.

## Statement of the Governor for Bangladesh

Mr. Chairman,
President Jazairy,
Distinguished Governors, Excellencies,
Ladies and Gentlemen,

It is indeed a privilege for me to be able to address this Thirteenth Session of the Governing Council of IFAD under your able Chairmanship. I congratulate you on your election. I also congratulate the distinguished Governors for Guatemala and the Federal Republic of Germany on their well-deserved election as Vice-Chairmen.

It gives me particular pleasure to welcome the Union of Myanmar and the Federation of Malaysia as new members of this Fund. Last year in a smaller caucus I underlined the need for their admission, the need to uphold the universal character of the United Nations Charter. I am happy to see them with us.

Mr. Chairman, it is a matter of deep regret that large sections of the people in developing countries are still living below an acceptable threshold of living conditions. More than 500 million people are still afflicted by hunger and poverty. The great problem of hunger, in fact, cannot be solved by one country or one organization. In this respect the role and contribution of IFAD in the expansion of food production and alleviation of poverty aimed at ensuring for the poor access to food and a minimum level of nutrition, deserves to be commended. IFAD has made a significant beginning in addressing the problem of hunger. It has rightly focussed its policies and programmes on assistance to the low-income countries. Attention has been paid to the vital need to develop the necessary infrastructure and institutional arrangements which directly help to augment food production. IFAD with its focus on the neediest - the landless, the artisans, the fishermen, the rural poor, particularly women - through its innovative ideas aims at the removal of poverty through economic development.

As President Jazairy said in his opening remarks, "as we enter a new decade.... We have to look forward to yet a greater impact on world hunger through support to national rural poverty alleviation strategies. New ideas must be generated to make the best use of the resources. The creative talent of the poor themselves has to be unleashed."

Mr. Chairman, IFAD was established with the objective of augmenting the efforts of other international financial institutions to increase the production capacity of the small and marginal farmers. But the real objective of these efforts was to improve the incomes and living standards of the innumerable poor in the developing countries. The initial response to these efforts was positive and there was significant improvement of employment opportunities for the rural poor.

Mr. Chairman, although considerable headway has been made in the alleviation of poverty and in creating better employment opportunities, a vast multitude of the rural poor in the developing countries still require the support and assistance of IFAD. My country stands ready to give its wholehearted support to the efforts of IFAD.

Bangladesh in recent days has made significant progress in attaining self-sufficiency in food. The entire population of the country has been mobilized under the directive of President Ershad to reach this target by 1992. I am confident that IFAD, along with other partners in progress, will play an important role in helping us in reaching this goal.

A great majority of our population is poor. Alleviation of rural poverty has been the constant endeavour of our Government which has taken up many development projects for this purpose. Donors, including IFAD, have come forward to finance such projects. So far, Bangladesh has received about US$ 180 million as soft term loans from IFAD for financing projects which have contributed to our efforts to increase food production, as well as to minimize rural poverty. Last year we signed a Loan Agreement with IFAD of about US$ 8 million for the Grameen Bank Phase-III Project. After successful implementation of the Grameen Bank Phase-II Project, we have launched a bigger programme covering the entire rural territory of Bangladesh. IFAD was also instrumental in mobilizing funds for about US$ 90 million for the implementation of the Grameen Bank Phase-II Project from other bilateral donors. I have just returned from my country and I am proud to tell you how effectively this innovative approach is working in the country.

I may mention here that our Government has recently taken some bold steps in line with IFAD's mandate for the alleviation of rural poverty. The following areas merit mention and I urge the international community, including IFAD, to channel all possible assistance for the implementation of the programmes:

(a) Rin Salishi Board (Rural Credit Arbitration Board):
A Rin Salishi Board at national level has been formed with President Hussain Muhammad Ershad as its Chairman. Each Upazilla (sub-district) has a Rin Salishi Board to ameliorate the indebtedness of the rural poor. Mr. Chairman, the small and marginal farmers in rural Bangladesh take either institutional or non-institutional loans by mortgaging their small holdings of land which they ultimately cannot repay. The Rin Salishi Board will prevent the disaster-sale of lands by small and marginal farmers. It may have a far-reaching effect in improving the incomes of marginal and small farmers and also prevent them from becoming rootless and migrant.

(b) Establishment of Clustered Villages Programme:
This programme called 'Operation Thikana', is intended to provide rootless people with a small piece of land to live on with a house and other credit facilities for their income generation. The number of helpless poor in the rural areas is growing day by day and they ultimately migrate to the urban areas to live and to

seek a livelihood. This has caused a large-scale movement of rural people to the cities and towns of Bangladesh, creating environmental hazards for those cities and towns and for the migrants as well. The Government of Bangladesh decided to check this menace through rehabilitating these people in the cluster villages throughout Bangladesh where there is Government-owned free land. The people living in these cluster villages are given living space and some avenues for earning a livelihood. The effort would facilitate rehabilitation of rootless people as well as augmenting institutional support for the rural poor to produce non-farm agricultural goods. IFAD and other donor agencies could take advantage of this initiative in Bangladesh and help us in our efforts to alleviate rural poverty.

(c) Pathakali Trust:

Another programme that has been launched recently is the 'Pathakali Trust' to rescue rootless children from the streets to send them to school. This would also help to equip them with the technical knowhow for a livelihood. The Trust is chaired by the First Lady, Begum Raushan Ershad, and schools have been set up to provide them education. Funds have been raised from generous subscriptions. This is another area to which IFAD could give necessary support.

Bangladesh, which experienced in 1988 one of the worst floods in history, is situated down-stream of two great rivers, the Ganges and the Brahmaputra that come from the Himalayas. The river beds in most of the rivers of Bangladesh have become unfit to sustain the heavy pressure of water in rainy seasons due to siltation in the past. This has caused immense suffering of the people of Bangladesh, particularly in the rural areas. IFAD can also augment efforts of other donors in preventing siltation of our rivers by participating in small sector flood control and drainage projects in future.

The situation in sub-Saharan Africa is a glaring example of how dangerous an economic situation can be if and when drought hits a country of a tropical region. Because of the timely intervention of IFAD, in association with other international agencies, tens of thousands of lives have been saved. I am sure all of us would endorse IFAD's efforts to solve the problems of sub-Saharan Africa and to explore possibilities of increasing food production in better environmental conditions. Mr. Chairman, we take this opportunity to express our full support for the continuation of the Special Programme for Sub-Saharan African Countries.

In response to the concern of the world community for environmentally sustainable development, IFAD has taken up the difficult challenge of reconciling sustainability with poverty alleviation. The special emphasis on beneficiary participation would certainly help in rehabilitating and enhancing the environment through traditional conservation methods. In this regard we believe that a "soft window" financing mechanism would strengthen the hands of IFAD in dealing with the environmental degradation.

IFAD's ability to adapt to changing circumstances is manifested in the Special Programme for Sub-Saharan Africa, the special programme for Women in Development and the IFAD-NGO Extended Cooperation Programme.

Although a consensus was reached during the extended meeting of the Twelfth Session of the Governing Council on the Third Replenishment of IFAD's Resources, the total resources available for the coming cycle has actually declined, as President Jazairy underlined in his opening remarks. It was heartening to note in the June meeting the great sense of awareness among Member States of the need for collegial responsibility and a greater measure of interdependence in improving the quality of life all over the world. It is in this context that the Government of Bangladesh in spite of resource constraints has decided to contribute US$ 500 000 to the Third Replenishment of IFAD.

While we have entered upon the threshold of a new decade, momentous developments are taking place, which may affect our relations - East and West, North and South - in the years ahead. The Honourable Giulio Andreotti, the great statesman-historian has rightly pointed out "the opportunities that may arise in the future." Referring to the relaxation of East-West tension and the consequent progress in reduction of armaments, he further underlined the hope that we are moving towards the horizon of peace. We share this optimism and we believe that we shall be able to allocate greater funds to combat hunger, disease, environmental degradation and poverty by using the resources which were to be otherwise used for armaments and to let IFAD be the forum where we can realise our objective to help improve the quality of life of the under-privileged of the world by beating swords into ploughshares.

I thank you, Mr. Chairman.

## Statement of the Governor for Burkina Faso

Mr. Chairman of the Council of Governors,
Mr. President of IFAD,
Distinguished Governors,
Ladies and Gentlemen,

On behalf of the Burkina Faso Delegation, may I first of all express our most sincere congratulations to you on your election to the Chair.

Through you we also congratulate the Vice-Chairmen who are helping you to perform your duties.

We are convinced that under your Chairmanship, this session will be crowned with success. We would also like to express our satisfaction to the President of IFAD and his Secretariat for their devotion to the cause of the Fund and for the quality of the documents we have been given.

Mr. Chairman, despite the efforts of the peoples of Africa and of the international community we must note the persistence of the economic stagnation of our continent and even a lowering in the daily living standards of the African rural populations.

This situation has led to a 2.5% decline in the per caput GDP between 1980 and 1988 due to demographic pressure, falling revenues from export commodities, the burden of external debt, the vagaries of the climate and natural disasters.

As far as Burkina Faso is concerned, in particular, the sustained efforts of the people have resulted in a high growth rate in recent years but, generally speaking, the country's economy rests on fragile bases because of its inefficient traditional agriculture and inadequate infrastructure.

Our country, with a 90% rural population, has made agricultural development a top priority of its economic policy. This explains the very special interest we have in the philosophy for intervention and the general activities of IFAD, whose commitment to combatting poverty in the rural world is a source of admiration to us and enjoys our whole-hearted support.

In Burkina Faso, a country stricken by drought and desertification, rural development goes hand in hand with environmental conservation. This is the reason why we agree with IFAD in stressing the need to integrate environmental conservation and regeneration into all development projects.

Mr. Chairman, the Special Programme for Sub-Saharan Africa initiated by IFAD in 1986 has made it possible to supply the poorest countries in the world, including my own, with supplementary resources for direct intervention on behalf of the rural world.

Despite the difficulties, this programme should continue and even be stepped up because it is dealing with the fundamental issues, which in Burkina Faso are soil and water conservation, agro-forestry, and adapting traditional technologies. In my country the implementation of this programme since 1988 has generated concrete results which are greatly appreciated by the recipients.

For example, 1 000 hectares of anti-erosion measures have been put in place, appropriate agricultural credit provided, small farmer training given, and institutional reforms carried out. The full participation of the peasants in this programme is facilitating its implementation and bears witness to its success.

My Delegation wishes to appeal to all countries, and most particularly to the developed countries, to lend their indispensable financial support so that the Special Programme can continue.

Mr. Chairman, the document on IFAD's Programme of Work and Budget for 1990 has been carefully examined by my Delegation which thanks the Secretariat for the clarity of the information given in it.

The 1990 budget is slightly lower than the 1989 budget, which shows the effort that has been made to keep administrative and operating costs as low as possible, despite the inevitable price increases and inflation. We await the results of the study to be carried out into IFAD's actual requirements, but my Delegation believes that the personnel forecasts for 1990 are, at all events, reasonable.

With regard to the programme of work, my Delegation hails the efforts of the Fund which is seeking out new formulae to combat or reduce poverty in the rural world while safeguarding the environment, adhering as closely as possible to its original objective. IFAD is therefore examining the possibility of putting into place a special machinery to provide funding for non-profitmaking aspects of development projects, connected with the conservation and regeneration of the environment, taking a very long-term view of the interests of mankind.

By way of conclusion, Mr. Chairman, may I renew the confidence of my country and my Delegation in the President of IFAD and his Secretariat, and thank the whole of the international community for its commitment to the Fund's ideals.

Thank you, Mr. Chairman.

## Statement of the Governor for Cameroon

Mr. Chairman,

It is a particular pleasure for me to offer you the congratulations of the Delegation of Cameroon on your election as Chairman of this Thirteenth Session of the Governing Council of the International Fund for Agricultural Development. Your great qualities as a statesman, your experience and your skills will, I am sure, be the guarantee of a successful meeting. I wish to assure you that my Delegation is wholly at your disposal to give you all the necessary help in accomplishing your lofty and distinguished task.

We also congratulate the two Vice-Chairmen on their elections who will certainly support and assist you with their enlightened advice so that your Chairmanship is effective.

I would also like to welcome to membership of IFAD the Union of Myanmar and the Federation of Malaysia.

We welcome them most warmly and are certain that their contribution will be decisive to the future victories of this institution.

Mr. Chairman of the Council of Governors,
Mr. President of the International Fund for Agricultural Development,
Distinguished Governors and Observers,
Ladies and Gentlemen,

I would like to recall and emphasize the rightful value of the words so full of wisdom, realism and grandeur addressed to us by The Honourable Giulio Andreotti, President of the Council Ministers of the Italian Republic and Vice-Admiral Augustus Aikhomu, Chief of General Staff of the Federal Republic of Nigeria to enrich our work.

Their eloquent declarations have given us comfort and a ray of hope in a world in which the developing countries are reeling from the perverse effects of an unprecedented economic and financial crisis. The catastrophic plight of the countries of sub-Saharan Africa as described so candidly in document GC 13/L.8 continues to be worrying for various reasons, and what is worse, the situation is deteriorating day by day.

My country, Cameroon, has obviously not escaped this crisis characterized, as far as external trade is concerned, by a general and steep slump in the prices of agricultural raw materials, which are the principal sources of State revenue, and by the erratic fluctuations in the value of the reference currencies and the weight of external debt. The domestic repercussions of these factors have been:

- a fall in the GDP of more than 11% in real terms over two years,
- a 40% reduction in public investment,
- the halving of revenues from exports, which created severe difficulties in the Government cash-flow situation,
- job losses,
- serious difficulties in financing the agricultural seasons.

Faced with this situation, which could not be worse, and whose effects are seriously hampering the growth of our economy, the Renewal Government has taken a series of bold and non-coercive measures which will certainly be painful, but which have been accepted and are being implemented with maturity and patriotism by the whole of the people of Cameroon.

The appeals made to friendly countries and the international financial institutions have been received very favourably and very encouragingly, thus backing the authorities responsible for the National Readjustment and Economic Recovery Plan which has been designed and implemented in all freedom by the Government. This is a source of legitimate pride to us and an encouraging sign.

Mr. Chairman of the Council of Governors, Mr. President of IFAD, Distinguished Governors and Observers, of all the financial institutions that have given us their support and manifest backing we are particularly pleased to be able to mention IFAD, the most recent of all the specialized UN agencies, a unique institution in the international system whose performance in its 13 years of existence has left its mark on, and substantially changed the living conditions of millions of the world's poorest peasants.

These results are thanks to the tireless and devoted work of a comparatively small but very effective team of experts under the flexible, enlightened, determined and generous management of President Idriss Jazairy who, since his appointment, has taken upon himself, with great success, the heavy burden of presiding over the destinies of this prestigious institution.

It is an opportunity for me, Mr. Chairman, to pay tribute once again to this worthy son of Africa whose devotion to the cause of the most disinherited populations is unequalled, as are his high intellectual and moral qualities.

This renewed and fully deserved tribute follows the approval of the Executive Board of a fourth loan to my country to finance Phase II of one of IFAD's greatest successes and one of the key projects of Cameroon: the project for the Development of the North-West Province.

Mr. Chairman, on the eve of the fourteenth year in the life of this institution, Cameroon, which is particularly proud of IFAD's achievements, is satisfied with the present situation and has good grounds for placing its hopes in the medium-term future.

By increasingly consolidating its objectives and its specific character in the field as a result of making a real and evident impact on the daily lives of millions of rural people, IFAD is going through a period in which it will be able to rely on having available substantial and increased resources to be allocated to projects and to grants over the next three years.

Indeed, the negotiations for the Third Replenishment in which Cameroon played an active part were successfully completed and repayments are expected to reach a reasonably high, although not satisfactory, level. Moreover the net income from investments for the purposes of pledges are high and the return of funds from previous loan repayments will increase. All these factors suggest that there will be a substantial increase in the personnel's workload and the Fund's operations.

This is why my Delegation supports the draft resolution approving the Fund's administrative budget for 1990 which is specifically characterized by negative growth in real terms. We support in particular the proposals to create more posts and to transform the temporary posts into ordinary permanent posts.

Mr. Chairman, the Cameroon Delegation is very pleased with the progress made in implementing the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. However, with regard to the socio-economic conditions at present and in the foreseeable medium-term in this region, and the results of the Third Replenishment, Cameroon strongly and unreservedly supports the proposal to extend this Special Programme for another three years, beginning 1991. By so doing, Cameroon would like to see the programme broadened to all the countries originally envisaged and also to those which, like Cameroon, are partially and permanently exposed to drought and desertification damage.

Mr. Chairman, I would like now to address the serious problem of the deterioration of natural resources and environment.

The alarming state of our environment and natural resources has emphasized still further the undeniable interdependence that exists between the different regions of the globe.

This fact, which is a challenge to the imagination, the solidarity and generosity of the whole of mankind, stems from the need to protect the biological diversity of our globe. It appeals to each one of us to find economically viable and socially acceptable solutions, particularly those of us with substantial technological and financial resources.

As you well know, Mr. Chairman, it is much more a question of survival than of irresponsibility. The governments of the developing countries, like the whole of the international community, must do all they can to break the infernal circle which is pushing them to implement inappropriate technologies that destroy the environment in order to combat poverty, thereby constituting a source of poverty.

In this perspective, we view IFAD as the institution which is most able to channel the multifaceted and sustained efforts of everyone. The critical economic plight of the developing countries, the complex problems arising with regard to the design and implementation of projects with an environmental component, coupled with the pressing and enormous need to combat rural poverty lead us to unreservedly support the proposal to endow IFAD with sufficient resources to finance the ecological components of projects under particularly favourable terms.

Indeed, while these components are essential for the conservation of the natural heritage this is not immediately perceptible to the rural people who are involved in their daily efforts for survival. Such a mechanism, which would put into practice the present and justified concerns of the industrialized countries, would not have the drawback of reducing the level of resources directly allocated to financing development actions.

Without wishing to gloss over or detract from the responsibilities and duties of the developing countries' governments, we feel that it is urgently necessary to find a lasting solution at the multilateral and universal level - in other words, a viable and appropriate solution to this serious problem of the deterioration of natural resources. In our humble opinion the very survival of the whole of mankind is at stake.

This, Mr. Chairman, in a few words, is the modest contribution of the Cameroon Delegation to the various issues being debated at this Thirteenth Session of the Governing Council, from which we are certain that positive and concrete results will emerge for the good of the rural poor of our countries.

Thank you for your kind attention.

## Statement of the Governor for Djibouti

Mr. Chairman,

The consultation on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification held its fourth session here on Saturday, 20 January 1990.

I should like to take this opportunity to pay tribute to the work of this important consultation whose results should eventually percolate through to all the sub-Saharan regions of the African continent afflicted by drought. As you know, desertification is one of the greatest problems in these regions of our continent.

In this regard, the preparation of a strategy and programme of appropriate interventions is becoming increasingly necessary in order to improve the living standards of the rural populations who are being sorely tried by desertification.

In this field IFAD and the Republic of Djibouti have been drafting a joint policy over the past two years to deal with it, with the design of a number of projects. For example, the integrated development project for the Day region, the first of its kind, designed with IFAD's help, is a project of paramount importance to us in view of the way in which it involves the rural population of the region in developing and protecting the only forest our country possesses.

More than anything else, this project strongly stresses the ecological dimensions of actions to reduce rural poverty.

The same ecological consideration prevailed during the Thirty-Seventh Session of the IFAD Executive Board which decided to grant a loan to our country to finance a major agro-pastoral development project using the Special Resources for sub-Saharan Africa.

Thanks to this project, the limited natural soil and pasture resources will be better protected and used in a region where the stricken nomadic population is making a great effort and sacrifice at reconversion in the agricultural sector.

The adoption of such projects by IFAD forms part of a long-term strategy, without immediate returns in the accounting sense of the term, thereby giving pride of place to man and his environment. And this remains true even if all the objectives are not fully attained in view of the duration of traditional rural development projects.

In a world undergoing all-out political, economic and technological change, it is vital to strengthen solidarity to conserve the world's ecological heritage, which is constantly falling prey to natural or man-made aggression, particularly in our region.

Faced with a general degradation of the environment and being fully aware of the urgent need to find appropriate ways and means of solving the world's ecological problems, the Government of the Republic of Djibouti supports IFAD's policy and strategy, particularly its resolve to establish as soon as possible a funding mechanism in the form of grants for the conservation of the environment, particularly in sub-Saharan Africa.

For the costs of implementing schemes to protect and develop these arid regions lies way beyond the means of our countries, most of which are faced with serious economic and financial problems such as external debt, chronic under-employment, precarious standards of living, deteriorating terms of trade, natural disasters, etc.

The necessary funds could be mobilized in this period of détente in East-West relations mainly using voluntary contributions from the more industrialized countries which can release sufficient resources to regenerate the ecological heritage of our world.

At the present time, and unlike previous years, this is by no means a pious hope in view of the fact that most of the leaders of the industrialized countries and of the developing countries are increasingly showing particular interest, if not priority concern, for protecting the environment in which the human being must fulfil himself.

Mr. Chairman, the implementation of a policy of this kind and the strategies and corresponding programmes in the field should be our common objectives, while there is still time, to preserve the environment and conditions of life for future generations.

Thank you, Mr. Chairman.

## Statement of the Governor for Equatorial Guinea

Mr. Chairman of the Council of Governors,
Mr. President of IFAD,
Distinguished Governors,
Ladies and Gentlemen,

On behalf of my Delegation I wish to add my congratulations to those of the speakers who have preceded me to you, Mr. Chairman, and to the Deputy Chairman of this Thirteenth Session of the Governing Council. We are assured that thanks to your dynamic and sound judgement our deliberations will proceed satisfactorily.

Distinguished Governors, Distinguished Delegates, Ladies and Gentlemen, I have the honour of extending to you the cordial greetings of H.E. Obiang Nguema Mbasogo, the President of the Republic of Equatorial Guinea, Head of State, Head of the Government, and President Founder of the Democratic Party of Equatorial Guinea, and his very best wishes for the success of the deliberations of this Governing Council.

I am making this statement at a time in which many of my colleagues on the Governing Council have already expressed their gratitude to IFAD for its focus on the problem of food production which is so indispensable for the development of the human condition. The world today is going through one of its most serious food crises, particularly in the developing countries where the most vulnerable groups account for a substantial section of the population, as a result of the fragile economic structure of these countries.

The five main lines of action laid down by IFAD:

- participation,
- environmental conservation with reduced poverty,
- the promotion of micro-projects,
- rural credit,
- peasant women,

are examples of its deep concern to support small farmers throughout the world in general. These lines of action constitute the focus for bringing about self-sustaining agricultural development, and we must bear them very clearly in mind when we design our own agricultural policies and strategies.

We wish to express our gratitude to all the countries that have contributed towards the replenishment of IFAD's resources. This demonstrates a firm desire to support North-South cooperation and confirms that South-South cooperation is becoming firmly established. Nevertheless, we are rather concerned at the levels of replenishment which might seriously hamper IFAD's work.

In Equatorial Guinea, 75% of the population living in the rural environment are mainly small farmers, craftsmen, herdsmen and fishermen. Our target group comprises the small farmers and it is with them in mind that we design our agricultural strategies.

The substantial support we have received from IFAD has made it possible to attain many of the objectives of our agricultural development policy. Nevertheless we are hopeful that we shall be receiving more support and we are aware that this will only be possible if the replenishment of IFAD's resources is successful.

We are happy to see that IFAD's target group is growing in size and we therefore warmly welcome the Federation of Malaysia and the Union of Myanmar.

Thank you, Mr. Chairman.

## Statement of the Governor for Greece

Mr. Chairman,

This session of the Governing Council coincides with the starting of a new era in our continent. The very positive developments we have just experienced will certainly give a new dimension to what we call development/cooperation. As a result, we do hope that this evolution will free more resources to be diverted to the developing countries and thus will enable them to fight more effectively against hunger and poverty.

Within this political context, the objectives of this Fund find further justification.

The continuing food problem of the world is afflicting a large segment of the people of the developing countries and is jeopardizing the most fundamental principles and values associated with the right to life and human dignity. Moreover, may I point out the disquieting features of the current food situation. We regret to note that per caput food production remained below its average levels of 1979-80 in both Africa and Near East.

Agriculture is and must be the priority of the priorities.

Against this background, we cannot but express our satisfaction on the efforts of IFAD to bring an internal dynamism to the task of rural poverty alleviation relying on the skills, traditions and creativity of the poor themselves.

Therefore, Mr. Chairman, we consider it our duty to join previous speakers in complimenting the President of IFAD and his staff for all their efforts towards mobilizing additional resources to be made available for agricultural development in developing countries.

My country will spare no efforts to contribute within its possibilities towards helping IFAD to fulfil its constitutional objectives.

## Statement of the Governor for Guatemala

Mr. President of IFAD,
Distinguished Members of the Governing Council,

Like the majority of the countries represented here, Guatemala is facing serious problems in matters of land tenure, income distribution, production, productivity, high population growth rates, health and education.

In view of these problems, even though the agricultural sector is the most important in the economy of Guatemala, it is necessary to incorporate in the modern productive process the great majority of small and medium farmers, in order to increase their participation in the benefits of economic and social development.

To this end, the Ministry of Agriculture, Livestock and Food of my country has prepared an agricultural policy aimed at stimulating and fostering the process whereby the rural area can increase its contribution to national economic development and improve the income level, stability and well-being of small and medium farmers.

This sectoral strategy is based on the implementation of priority programmes such as the following:

- the legalization, purchase and voluntary sale of land;
- small-, medium- and large-scale irrigation;
- diversification;
- food security;
- marketing;
- the development and rational management of natural renewable resources and the protection of the environment generally.

This sectoral policy and these priority programmes form the framework for the formulation and implementation of successful projects such as the "Zacapa-Chiquimula (East Guatemala) Smallholders Rural Development - IFAD - Project".

Similarly, the "National PROGRETTAPS/IFAD/IDB National Project" has contributed enormously to the generation and transfer of appropriate technologies and to the use of improved seeds in the rural areas of the country. Moreover, the "Cuchumatanes Highlands (Guatemala) Small Producers Rural Development Project", now being formulated and soon to be negotiated and implemented, will of course greatly improve the standard of living of the indigenous rural population of Guatemala.

Instruments like credit, basic infrastructure, organization, technical assistance, training and agricultural marketing are undoubtedly the main foundations upon which the rural development of our countries must be built.

However, it must be borne in mind that unless rural men and women are encouraged to participate actively, as protagonists, in their own development, it will not be possible to achieve real, just and sustained socio-economic well-being.

As the people responsible for the management of the most important sector of our economies, we should therefore do our utmost to ensure that all our international institutions emulate the example of IFAD and that in the coming decade they substantially transform their structures, really work for the benefit of the poorest populations of our countries and participate energetically in the solution of the most deeply felt needs of the inhabitants of our rural areas.

We ourselves should modernize developments in the agricultural sector, mainly by fostering a change of attitude, from the passive to the active and from the static to the dynamic and constructive, both on the part of our experts and on the part of our beneficiaries, and adopt a productive and non-bureaucratic work ethic that will enable us to provide essential services for the recipients in a timely and appropriate manner.

I repeat: the rural populations that suffer from critical poverty are still waiting for us to respond to their necessities; I urge that we accept this challenge and this commitment, working hard and conscientiously.

Finally, on behalf of the Constitutional President of Guatemala, Mr. Marco Vinicio Cerezo Arevalo, and of the Ministry of Agriculture, Livestock and Food, I take this opportunity to thank IFAD for its interest, concern and enormous support and for giving priority to actions for the small agricultural producers of our countries.

Thank you.

## Statement of the Alternate Governor for India

Mr. Chairman,
Respected Members of the Governing Council,
Friends,

I would like to express my felicitations to you, Mr. Chairman, on assuming this high post for the Thirteenth Session of the Governing Council and also to the respected Governors from Guatemala and the Federal Republic of Germany as Vice-Chairmen. I would like to thank you all for the interest and direction given to the proceedings in the proper conduct of business. On this occasion, we would like to felicitate and welcome both the Federation of Malaysia and the Union of Myanmar for having joined the International Fund for Agricultural Development and we look forward to their valuable contributions to the work of this organization. I also consider it my duty to express appreciation for the extremely well thought out and convincing message from the leader of Nigeria and from the host country. The respected Prime Minister of Italy, in his address underlined the continuous commitment of the Italian Government not only to IFAD but to development cooperation in developing countries.

The 1980s were a decade of unprecedented trials and tribulations for many countries. Most primary commodity prices hovered at abysmally low levels, and an uncertain growth process constrained the path of meaningful recovery. Most developing countries were faced with deteriorating terms of trade, stagnant trade prospects, and a bleak balance of payments outlook. Many of necessity, had to take recourse to borrowing from commercial markets to finance critical imports, and to sustain minimum levels of growth. The consequence, for some, was a staggering burden of debt. As economic levels and living standards declined, a large number of countries carried out measures of structural adjustment, the burden of which was most acutely felt by the underprivileged. That they have borne these tribulations with fortitude is commendable: we should however collectively resolve and act to ensure that the 1990s are a very different decade, one in which the fruits of development are available to all, and in which the poorest are enabled to help themselves to a better life.

It is our contention that the basic problems of the global economy are structural, and reflective of its inequitable nature. The trend of blaming developing countries for some of their difficulties is not a healthy one when the basic issue of tackling the structural inequities of the world economic order has not been adequately confronted. At the summit of Non-Aligned Countries in Belgrade, priority was given to proposals relating to a more just world economic order. At present, with various dramatic developments in Europe, there seems to be more and more emphasis on the balance of economic power between various groupings. The headlines are full of talk regarding mergers, acquisitions, the price of the Dollar, Yen and the Deutsche Mark, etc. While the process of detente and international cooperation is a good one and the trends for international cooperation are more than hopeful, there is more than a little apprehension that the interests of the developing countries and the staggering economic, commercial and debt problems they face may not be given the importance they deserve. We should not forget that in dealing with the unbalanced and inequitable nature of the world economic order, the process of adjustment has been asymmetrical and has placed the burden disproportionately on developing countries. Sustained economic recovery will not be brought about through piecemeal solutions, or half-hearted action, but through a strong commitment, translated into effective action, to truly meaningful international cooperation. Even as the primary responsibility for its own development must lie with each country, adapting to the changing economic environment, the developed also must come forward in support, through their policies and action, including transfer of resources.

It is in this context that we must view the concept of multilateralism. The multilateral financial institutions have shown themselves to be the best means of transforming long-term financial resources and they have played a pathfinding role in innovative ways to foster development. The International Fund for Agricultural Development was an innovative and courageous experiment. It represented a commitment of the international community to multilateralism and a fundamental, collective desire to strike at the roots of poverty, and abject hunger. Its relevance in the context of the current environment, and the experience of over a decade of its operations, has been heightened. In the next decade, it must be enabled to continue its war on hunger and poverty through the provision of adequate resources.

In the past year, there have been some encouraging developments in the context of the need to provide for adequate financial flows for development. We have welcomed the spirit of constructive cooperation which has enabled an early conclusion to the Ninth Replenishment of the International Development Association. With the conclusion of IDA-9 negotiations, and the maintenance of replenishment levels, the donor community has demonstrated the beginnings of what we hope will be a new era in international cooperation. I must confess a partial sense of disappointment at the process of IFAD's own replenishment which has provided only enough resources to maintain, but not significantly enhance, IFAD's operations. It is imperative that IFAD's future financial basis and structure be placed on a sound footing, at the same time IFAD's uniquely participatory character must be maintained. Over the next year or so, we would be discussing the means by which these objectives can be attained. I am confident that the spirit of cooperation, and the commitment to IFAD that has been evident would allow this to be done.

I would, however, like to sound a note of caution. It is not only the need for adequate resources that must be highlighted; these resources must be made available to developing countries at terms that are appropriate in the context of IFAD's mandate. A number of Category III countries have made outstanding efforts to raise their levels of contribution to IFAD. However, the main issue is that the countries who are in a position to contribute more should do so, if the terms at which IFAD's resources can be made available to developing countries are to remain appropriate. War against poverty cannot be fought with non-concessional or even semi-concessional resources. In this context, I would like to remind all members, that very few developed countries have attained the globally recognised level of official developmental assistance, of 0.7% of GNP. In fact, most industrialized countries' contributions are much below this figure. Turning to the priorities for IFAD in the 1990s, President Jazairy has underscored the need for action on two fronts, for the enhancement of the role and status of women in development, and to ensure that there is a complementarity in the growth process between development and environmental objectives. My country is fully supportive of these, and would welcome initiatives, in the context of its operations, from IFAD. We, in India, have recognised these priorities in our own planning and development process and have, for a number of years, sought to act on them. In the developmental process, we also recognize the need to utilize the services and experience of non-governmental organizations. We would, however, sound a note of caution, that in many developing countries, NGOs can support the primary responsibilities of governments, but cannot substitute for them. The responsibilities of sovereign governments must be kept in mind in charting out programmes and policies in this respect.

We have welcomed the initiatives of IFAD on sub-Saharan Africa. In our own way, India has played its part in focusing on some of the countries in this region by initiatives in Non-Aligned Summits to secure backing for the Africa Fund. Therefore, while we are all aware of the needs for giving priority to sub-Saharan Africa, we correspondingly hope that the larger problems of developing countries, including those of Asia, are given their importance.

Our deliberations here reveal to a large extent a commonality of problems in developing countries. Solutions to the problems of development in individual countries must, however, be specific to their own environments and priorities, and we would advise against universality of prescriptions. We hesitate to impose policy prescriptions on developing countries, the efficacy of which they are not fully convinced. In the ultimate analysis, nations and responsive governments are the best judges of the appropriateness of policies and programmes in their own context. The needs of the developing world can best be served by the fostering of an equitable economic environment and by the provision of adequate flow of financial resources. In the decade before us, we hope that the trend of net negative transfers will not only be reversed but that developing countries will be recipients of adequate flows at terms which are appropriate for development. As part of this, we trust that IFAD will be enabled to do full justice to the creative role carved out for it.

## Statement of the Governor for Indonesia

Mr. Chairman,
Mr. President,
Distinguished Governors,
Ladies and Gentlemen,

It is a great honour and pleasure for me to address this distinguished gathering. First of all, I wish to congratulate you, Mr. Chairman, on your election to the Chair. Your skill and experience will certainly guarantee that our work is a success. I would also like to take this opportunity to express my appreciation to the President of IFAD, Mr. Idriss Jazairy, and his staff for the able manner in which they have conducted the business of our organization, IFAD.

My Government is also pleased to extend a cordial welcome to Malaysia and Myanmar for joining this organization. This continuing growth in the membership of our institution testifies to the significant role that IFAD has played in the past and the expectations for its future. On this occasion I would also like to extend a cordial welcome to Bulgaria for joining the meeting as an Observer.

Today, at this Thirteenth Session of the Governing Council, we are witnessing the political and economic complexion of our globe undergoing a rapid change. A new climate of rapprochement and reconciliation is asserting itself in many regions and continents and spreading across geographical as well as ideological boundaries. Concurrently, some basic trends are drastically changing the shape and substance of international economic relations, thus propelling further the world economy towards an ever greater interdependence and integration.

The winds of change are blowing across the international economic landscape where trends of far-reaching implications have gained prominence. But as in the political sphere, these changes and trends contain the seed of both new opportunities as well as challenge to our collective interests and purposes. The phenomenal advances in science and technology that are drastically altering the traditional patterns of production and international economic exchanges offer new possibilities for more prosperity among nations, in an increasingly integrated global economy.

At the same time, they may have negative implications in terms of comparative advantage of the developed countries and the concept of international labour division. New centres of economic power have emerged, further accentuating the multipolarity of the world economy. This is accompanied by the establishment of powerful economic blocks among developed countries. What is most regrettable, however, is that these significant transformations are most beneficial to the developed economies while the majority of the developing countries continue to be afflicted by structural under-development, worsening terms of trade and even regression. The external debt problem, exacerbated by adverse exchange rate fluctuations in major currencies, has now reached a critical level.

Financial flows for development, both official and private, have continued to contract, resulting, paradoxically, in a reverse net transfer of resources to the developed countries. Developing countries' exports to industrialized countries are encountering a wide array of protectionist barriers, notwithstanding repeated commitments to remove them. Primary commodity markets and prices, including those of oil and natural gas have yet to fully recover from the long years of slump and disarray. Consequently, the socio-economic gap between developed and developing countries has widened and world-wide poverty is still a stark reality. In this regard, IFAD as a multilateral financial institution has significantly played an important role in assisting developing countries by allocating financial resources to finance agricultural development projects in the efforts to help small farmers and to combat poverty in the rural communities.

Since the beginning of its operation, many developing countries have obtained considerable benefit from IFAD in financing their respective agricultural and rural development projects. Indonesia is one among these countries that has the opportunity to benefit from funds lent by IFAD in supporting various agricultural projects such as the:

Smallholder Cattle Development in Sumatera;
Paddy Land Development Project in Sulawesi;
Irrigation Programme in Java; and
Income Generating Project for Small Farmers and the Landless.

I am pleased to say that these projects have so far proved to be beneficial to the farmers and have increased productivity in the areas concerned. It can also be noted that IFAD's assistance has contributed to the success achieved by the Indonesian farmers in their effort to be self-sufficient in food. The experience obtained from IFAD's assistance is encouraging and gives rise to bright prospects for agricultural development in Indonesia.

We realized that continuous economic difficulties faced by many Member Countries of IFAD have, among others, hampered the functioning of IFAD's role in financing agricultural and rural development projects in the developing Member Countries. The organization, however, has survived and continues to do splendid works, thanks to the efficient and dedicated staff led by its President.

Bearing in mind the important role of IFAD in this crucial future of world development, we should marshal our efforts and collective economic potentials to maintain the continuing validity of the basic principles and objectives of IFAD in alleviating poverty in developing countries by strengthening the financial position of the Fund.

In this regard, I wish to express my appreciation for the fact that the intense efforts towards the realization of the Third Replenishment of IFAD's funds are leading to a successful result.

Allow me now to turn to the matter of Environment Protection. The danger of irreversible environmental destruction through escalating pollution, depletion of the ozone layer, climatic change, desertification, deforestation and other causes, has now become a major item on the global agenda. In this regard, Indonesia supports the initiative of IFAD to take environmental considerations into the core of poverty alleviation projects by setting up an Environmental Facility with resources on concessional or even grant terms. However, since the issue affects the common future and indeed the survival of humanity as a whole, it is vital that international concern about environmental preservation should be based on the solidarity among all nations and that it does not become a new bone of contention between the North and the South. This call for effective, multilateral cooperation, including the mobilization of additional financial resources in order to promote environmentally sound and sustainable development which, I believe, would ensure continued growth and social progress without compromising the well-being of future generations.

Thank you.

## Statement of the Governor for the Republic of Korea

Mr. Chairman,
Mr. President,
Distinguished Delegates and Honourable Guests,

It gives me a great pleasure to have this opportunity to share and exchange views on world agricultural development problems with other distinguished delegates on the occasion of the Thirteenth Session of the IFAD Governing Council.

First of all, on behalf of the Delegation of the Republic of Korea, I would like to join other delegates in expressing our sincere appreciation to President Jazairy and the staff of IFAD for their devoted efforts in preparing this Governing Council. I also wish to extend our most sincere congratulations to the Chairman and two Vice-Chairmen on your election.

At the same time, my Delegation, in the name of the Government of the Republic of Korea, wishes to express its wholehearted welcome to the newly joined Member Countries, the Federation of Malaysia and the Union of Myanmar.

Mr. Chairman, I would like to make a few comments on the important topics presented in the IFAD documents.

With regard to the Programme and Budget for 1990, my Delegation supports the proposed budget as presented by the President of IFAD, although it seems insufficient to meet the increasing demands of development projects for developing countries. In this respect, I would like to highly commend IFAD administration for the effective management of the programme and for the efforts to maximise the effectiveness of the limited budget.

As for the Special Programme for Sub-Saharan Africa, my Delegation also wishes to associate with other delegations in supporting the Special Programme with recognition of the importance and urgency of the funding needs for the countries concerned. In view of the critical financial need of the African countries, my Delegation endorses extension of the Special Programme period until 1993.

In this connection, my Delegation also wishes to express its gratitude to the donor countries which have made substantial contributions to the Programme and hopes for their continued support in the future as well.

With respect to the Third Replenishment, my Delegation notes with satisfaction that although it could not achieve the target of US$ 750 million, pledging amounts at present have reached to US$ 566 million which is far more than that of the Second Replenishment.

In this regard, my Delegation would like to commend especially Category III Member Countries. They have strongly supported and actively participated in the Third Replenishment despite their financial difficulties.

In the case of my country, in spite of very difficult financial situation at present, we have increased our contribution from US$ 300 000 for the Second Replenishment to US$ 2 million for the Third Replenishment. This obviously demonstrates that together with other countries, the Government of the Republic of Korea recognises the importance of IFAD activities for eliminating poverty and hunger from the world.

In addition, my Government is operating its own cooperation programme to support economic development of developing countries, sharing our past experiences in various fields. This programme includes training of foreign nationals and despatch of skilled experts to other developing countries in the field of rice and sericulture production, irrigation and water management and other related areas.

Mr. Chairman, my Delegation is also of the opinion that high priority should be given to the development of environmental sustainability in the preparation of IFAD projects. We also support the idea that concessional funds are needed to promote poverty alleviation in an environmentally sound fashion.

However, considering possible negative effects of the projects in the short and long run, we would like to suggest that special attention should be given during the process of project preparation so as to minimize these effects. We welcome IFAD initiatives in this context that have been taken in many Asian countries.

In closing, Mr. Chairman, I wish to state that this Governing Council will produce a fruitful outcome for the future of IFAD and contribute to improving the welfare of mankind, especially those who suffer from hunger and poverty.

Thank you.

## Statement on Behalf of the Governor for Madagascar

Mr. Chairman of the Council of Governors,
Mr. President of IFAD,
Distinguished Governors,
Ladies and Gentlemen,

His Excellency, Mr. Andrianoelison José, Minister of Agricultural Production and Forestry, the Governor of IFAD for Madagascar, would have liked to be present at this important session of the Governing Council, but to his great regret he has not been able to free himself from previous engagements. It is therefore an immense pleasure and great honour for me to lead the Malagasy Delegation in his place.

Mr. Chairman, my Delegation would like to congratulate you most sincerely on your election to the Chair of this important session of the Council. Knowing your exceptional qualities, your wisdom, coupled with your great maturity, we are sure that our work will be a success. In all events, you may rest assured of our frank and sincere cooperation. I would also, Mr. Chairman, like to congratulate the two Vice-Chairmen.

My Delegation cannot remain silent with regard to the quality of the messages which have been addressed to us by the two distinguished personalities, His Excellency Vice-Admiral Augustus Aikhomu on behalf of the President of the Federal Republic of Nigeria and The Honourable Giulio Andreotti, President of the Council of Ministers of Italy. We take note of these messages with great satisfaction and assure these distinguished persons of our profound esteem and sincere thanks for the support which they have shown towards IFAD, its objectives and its ideals.

Mr. Chairman, this session of the Council will have to take certain decisions that will certainly have considerable influence on the success of the Fourth Development Decade. This is the measure of their importance which demonstrates the need for this distinguished Assembly to ensure that the resolutions adopted here do not go against the noble objectives which it has established for itself.

The Fourth Decade should not follow the unhappy destiny of the previous one, which was a wasted, lost decade; for not only have hunger, malnutrition and poverty not disappeared, they have actually worsened.

Obviously IFAD alone cannot reverse the present downward trend of the developing countries' economies. The magnitude of the problems makes it necessary to design and implement an all-out international development strategy. But like other specialized institutions in the United Nations system, IFAD will make its valuable and effective contribution towards preparing this strategy. The highly successful work carried out by the Fund on behalf of small farmers to overcome poverty, the promotion of activities to protect the environment and the rational exploitation of natural resources which it has always performed, will be major components of the strategy.

We must therefore congratulate the Secretariat for having placed such immensely topical subjects on the agenda of the management bodies.

In the excellent documents which the Secretariat has produced and presented to us, the Secretariat declares that it is absolutely convinced that it would be an illusion to expect to overcome poverty and hunger without stopping the degradation of the environment. We would like to recall that at the Twelfth Session a very valuable document was produced on this subject, GC 12/L.11. Basic notions have been taken from it and further developed in document GC 13/L.12. In this way, a close linkage has been established between actions to alleviate poverty and to achieve lasting development, and it is therefore indispensable to promote activities that will generate incomes and farm employment and non-farm employment if we are to solve the problem of environmental deterioration. Farmers must be organized in groups or non-political associations, as a means of developing a spirit of solidarity and collective responsibility. The Malagasy Delegation shares these points of view and supports them. However, I would like to make a few supplementary remarks with regard to the proposals set out in Chapters V to IX of the document.

We have no difficulty in agreeing with the Secretariat that we must avoid, as far as possible, promoting projects which endanger the environment. On the other hand, we feel that the possibility of effectively implementing environmental protection measures should not be a precondition for the promotion of projects. It is vital, or at least particularly urgent, to find a lasting solution to funding environmental conservation measures. Indeed, as clearly demonstrated in Paras. 65 to 68 of the document, it is very difficult, if not practically impossible for the borrowers, who are in highly critical economic and financial situations, to justify very heavy investment which will not produce any return, but on the contrary increase the already unbearable debt burden. The repercussions of this on the poor peasants would be catastrophic, because their very survival would be at stake. Beginning with the concept that the ecological equilibrium of the planet is an indivisible whole, the international community cannot remain uninterested in the deterioration of the environment. Whatever countries are involved, the international community is bound to look for and contribute to the solution of the problems.

After mature reflection and in the light of the pertinent proposals of the Secretariat, the Executive Board as a whole is convinced that it is only by creating a mechanism for the environment endowed with sufficient financial resources and able to supply loans on particularly favourable terms, and even provide grants, that it will be possible to support the efforts of the governments and rural populations involved in combatting the deterioration of the environment and advancing the conservation of wildlife and resources. Naturally, we take note of the relevant position of the Board and we hope that this mechanism may become operational as soon as possible, so that the environmental protection aspect may become an integral part of all development projects promoted by IFAD.

The Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification and the Second Replenishment mobilized about US$ 750 million, while the Third Replenishment reached only US$ 566 million.

It is necessary to remedy this situation at a time in which the developing countries need the vigorous support of the international community and multilateral development and financial institutions more than ever before in order to revive their economies after a long and painful period of structural adjustment. A second phase of the Special Programme would be very welcome in this context. Experience acquired in the first phase will make it possible to step up actions in key sectors such as irrigation, agro-forestry, the restoration and conservation of soils and, of course, the organization of small farmers in village common interest associations.

Mr. Chairman, since in previous declarations the Malagasy Delegation has always expressed the wish that the Fund should have available resources of at least the level of the First Replenishment, it would like to renew this hope as we embark on the Fourth Development Decade and appeal confidently in this direction to all those who are in a position to respond.

Mr. Chairman, in order to fulfil its mandate under satisfactory conditions, the Fund needs an adequate administrative budget. After examining the draft budget submitted to it, the Executive Board recommended that it should be adopted. As a member of the Executive Board, Madagascar has already therefore spoken on this subject. I should also like to reiterate our support for IFAD's Programme of Work and Budget for 1990, and express my satisfaction that the Council has unanimously adopted it.

Mr. Chairman, the permanent and unflinching support of the Malagasy Government for IFAD, and its active support for this institution, the profound confidence which it has in the President, Mr. Jazairy, have encouraged it to make an effective contribution to the Second and Third Replenishment of IFAD's resources despite the serious financial and economic difficulties facing it daily. This effort on the part of the Malagasy Government is consistent with the unique and exceptional dynamic of the Category III countries to urge and catalyze the Member States of Categories I and II. Let us hope that the locomotive effects brought about by this great sacrifice on the part of the Category III countries may foster the mobilization of more resources for IFAD, to enable it to play a decisive role in implementing the International Development Strategy for the Fourth United Nations Development Decade.

Mr. Chairman, I would like to close by welcoming to membership of IFAD the Federation of Malaysia and the Union of Myanmar. We wish to express to them our profound esteem, solidarity and great satisfaction because by admitting them, the Fund will be greatly strengthened.

Thank you, Mr. Chairman.

## Statement of the Alternate Governor for The Netherlands

Mr. Chairman,
Distinguished Governors,
Mr. President,
Ladies and Gentlemen,

First of all I would like to convey to you, members of the Governing Council of IFAD, the best regards of Minister Gerrit Braks, Chairman of the Governing Council during the two previous sessions. On his behalf I would once again like to thank the Governing Council for the trust placed in him in his capacity as Chairman of the ad hoc committee on the Third Replenishment of IFAD's Resources. He regrets not being able to attend this meeting in person due to other obligations. I would also like to take this opportunity to inform you that the new Minister for Development Cooperation, Mr. Jan Pronk, has been appointed the new Governor of IFAD for The Netherlands, while Mr. Braks continues to serve as Alternate Governor. It is the intention of Minister Pronk, who was closely involved in founding IFAD, to continue and further strengthen the already close relationship between The Netherlands and the Fund.

1989 has been a very important year for the organization as it marked the conclusion of the IFAD Third Replenishment negotiations. Although all participants in these negotiations were instrumental in reaching the final result, I should like to emphasize the admirable and exceptional effort made by Category III as a whole. I would also like to express my appreciation to those Members of Category II who, although experiencing severe economic difficulties, maintained or even increased their contributions when compared to the Second Replenishment. However, one should realize that the voluntary contribution to the Replenishment affects the regular contribution. This does of course not affect IFAD's lending programme in the short term but this development nevertheless creates concern in my Government. Funding on the basis of burden-sharing or core-funding is, and must remain the essential feature of a multilateral financial institution. If we want to give our Fund a sound financial footing, now and in the future, this and related problems should be solved before the negotiations on a new Replenishment are started. We note with satisfaction that the initiative taken by the President to call for an informal meeting of the High-level Intergovernmental Committee will be followed up by a formal meeting of the Committee before this summer. In our view, such a tight schedule is required to enable the Committee to report to the next Governing Council on the future financial and institutional structure of the Fund.

During the twelve years it has now been operational, the Fund has earned a solid reputation and can be commended for the high quality of its lending programme and the efficient way in which this is executed.

It will become even more necessary to adhere to these high standards. IFAD must secure its position as a "centre of excellence" in the area of financing programmes for the small farmers and the rural poor. This will not only create the most reliable basis for IFAD's future funding, but it will also widen the impact of its lending programme beyond the limits of its own financial inputs through cofinancing with other multilateral and bilateral donors. I would like to stress the importance of this catalytic role. This means that in my Government's view the contributions of cofinanciers should on the average exceed IFAD's own financial inputs considerably. Specificity, referred to so many times by the President, must in our view not lead to a withdrawal of the Fund to exclusively self-initiated projects with a low ratio of co-financing.

The responsibilities of IFAD in the areas of project design and formulation including Special Programming Missions as well as monitoring and evaluation require highly qualified and motivated staff. We trust that the Canadian-funded study of the Fund's organization mentioned yesterday in President Jazairy's statement will pay due attention to the nature of the tasks on which IFAD should focus. In view of a series of recent departures of senior IFAD staff and the fact that some important positions have been vacant for extended periods, the study should also address personnel policy issues.

The appreciation expressed by a number of speakers for IFAD's high quality lending programme can largely be attributed to the monitoring and evaluation policies developed by the Fund. The Netherlands has right from the start supported both the development and the implementation of effective evaluation policies. With the lending programme maturing, the evaluation activities should increasingly be directed towards ex-post evaluation. While on this subject, I should like to express my appreciation for the valuable work done by the Evaluation Committee and support the extension of its mandate.

The Special Programme for Sub-Saharan Africa will be successfully completed in 1990 when the last commitments under this Programme are expected to be made. The members of the Council will recollect that when the Special Programme was created in 1986 it was meant to be a one-time programme. Any balance at the end of the agreed period would be incorporated into IFAD's Regular Programme. The Netherlands, with other donors, holds the view that the resources for IFAD's lending programme should come from contributions based on the same principles on which IFAD was founded. Given the fundamental character of the discussion this should be one of the issues on the agenda of the HLIC. The initiative of IFAD in the area of rural micro-enterprises is laudable, but in our view it can very well be financed within the regular lending programme and through co-financing.

The Netherlands supports the ideas developed by IFAD in the document presented to the Governing Council on "Environmental Sustainability and Rural Poverty Alleviation". The Fund should make optimum use of the expertise and guidelines developed by other international institutions such as the FAO Code of Conduct on Trade and Uses of Pesticides.

The environmental activities of IFAD should fit within the mandate of the Fund, i.e., assistance to small farmers and the rural poor. Since this target group is usually very much dependent on the natural resources in their countries, the environmental aspects should be an important part of every project. We should realise that investments in activities aimed at protecting or improving the environment often do not generate income in the short-term. A solution for this problem can probably be found by mobilizing cofinancing on a grant basis.

In his key-note address to the Governing Council on behalf of the President of Nigeria, H.E. Vice-Admiral Aikhomu underlined the importance of the role of women in the development process when he described very eloquently the efforts undertaken by his Government to enhance the involvement of rural women. It is satisfying to see that the views expressed by the Vice-Admiral are very much in line with The Netherlands' policy on this subject.

Immediately after coming into office our new Minister for Development Cooperation announced that he will give high priority to gender issues in the development process. We fully support the comments made by the President on this issue in his opening address. However to ensure that the role of women gets due attention in all IFAD's lending activities, the establishment of a policy on the basis of the anticipated document is crucial. We look forward to the upcoming presentation of this document to the Executive Board.

Before closing, I would like to touch upon the arrears situation. As I mentioned before, the fact that the lending programme has matured caused certain changes in its composition. A large number of countries that have received IFAD loans in the initial years are now facing the end of the grace-periods. Unfortunately this has already resulted in an increase of arrears to the Fund. This development should be of high concern to all parties involved because of its consequences for the sustainability of the lending programme and the continuity of IFAD activities in the countries involved. We therefore fully support the decision of the Executive Board that Management will undertake a comparative study of other multilateral financial institutions in order to find solutions for this problem. We thank the Vice-President, Mr. Brown, for his comments made under agenda item 7, which underline Management's intention to keep this issue under active consideration.

## Statement of the Governor for Nicaragua

Mr. Chairman,
Distinguished Governors,
Ladies and Gentlemen,

The decade that is now beginning would appear to be heralding in a new age for mankind. Nevertheless, it has been demonstrated that the Eighties also produced an explosion of prosperity for the developed countries, but it was a "lost decade" for the majority of the Third World countries. In Latin America alone, living standards fell sharply as US$ 200 000 million left the region, mostly to service its external debt, totalling US$ 430 000 million. After the lost decade of the Eighties, the international community cannot allow the Nineties to be another lost decade.

Firstly, and with some astonishment, we have witnessed a number of events and processes which have drastically transformed the world's political and economic map:

- The vertiginous pace of technological progress and its wide-ranging effects have broadened the opportunities for prosperity and progress. International political détente seems to have caused the threat of the holocaust to recede, and has helped to create a new atmosphere of dialogue and concerted effort.

- New centres of economic power have emerged which are helping to mitigate unilateralism in major decisions.

- There is a new awareness and a solid consensus that it is urgently necessary to pool our efforts to preserve the habitability of the earth.

- More recently, we have been witnessing the surprising changes taking place in Eastern Europe. These events will certainly strengthen the basis for the construction of a more stable, more just, more secure, more prosperous and more human world. Despite this, we must point out that the course of these events also gives rise to challenges and dangers.

- We in Nicaragua hail international détente and place our trust in the trend towards peace. We are aware that the promptings generated by the Soviet Union in this direction require far-reaching changes to be made in the mentality of the United States. The idea of viewing the causes of the changes taking place in Eastern Europe as a chance to buttress the Unites States' traditional domination is dangerous, and it must be energetically and resolutely withstood. That country is still behaving with unspeakable irresponsibility, and we can see it invading sovereign countries while the international community remains passive.

- In our Latin American region, Central America is crying out to make its presence felt, with the strength that stems from its history of struggle. Nicaragua, as part of this America, is struggling for respect as a sovereign nation.

- In Nicaragua, changes have taken place and are still taking place. Our people are shaking off the legacy imposed upon them by a dictatorship. Social justice is spreading and the real participation of the people is advancing as they exercise democracy in the framework of political and ideological pluralism. The masses of workers and the middle classes are exercising new social rights based on the potential given to them by a new structure of ownership. The progress which underpins the revolutionary government's independent international policy is making it possible to strengthen the Nicaraguan people's national consciousness, identifying its commitments to peace, solidarity and the social progress of peoples.

While welcoming international dialogue we struggle in every way and with our creative wealth to achieve dignity and the natural place which history reserves for free peoples. Our position is unshakeable on these principles.

Mr. Chairman, the peoples of the Third World are protagonists of a completely different reality. Let us look at an example of this:

- Science and technology remain the exclusive patrimony of a tiny group of countries.

- In the South there are "regional conflicts" which are still unresolved.

- The slowdown in the arms race has not led to a re-channelling of resources for development.

- Economic decisions which have repercussions throughout the international, commercial and financial system are being taken in "clubs" which bypass the interests of the majority of countries.

- Declarations about the environment have not been accompanied by adequate supporting measures, with the result that the developing world is feeling the effects and supporting the costs of an environmental degradation which it has not provoked.

- New patterns in international capital flows are threatening to drain off even more of the inadequate resources available to development.

Mr. Chairman, distress, poverty and hopelessness continue to weigh heavily on the majority of mankind. Day after day, millions of people are faced with the centuries-old drama of survival in a world in which their most basic needs are an unattainable illusion.

So long as this situation continues to be viewed as something remote, prosperity will remain insecure and stability will be precarious. Hence the need for it to become a universal commitment.

And while the burden of external debt continues to weigh heavily on the shoulders of the Third World, and protectionism and the deteriorating terms of trade remain unresolved, hunger, poverty and disease will persist, and so long as these persist, peace will never be assured.

In this situation, in addition to the joint effort of all countries, multilateral institutions play a most important role. For this reason, it is vital to strengthen them. IFAD is one of these institutions.

Mr. Chairman, we rejoice that we have finally reached a consensus on the Third Replenishment. The results could certainly have been more consistent with the harsh reality of the main beneficiaries of the institution. Nevertheless, we consider that by having removed the uncertainty, progress has been made.

We also support IFAD's Programme of Work and Budget, and we endorse the proposal of the President of our institution to cooperate with national strategies to reduce, and as far as possible, eradicate rural poverty. We hope that this will be accompanied by adequate funding. We urge IFAD to give its unflinching support to a programme to prevent the degradation of the environment in conjunction with eliminating rural poverty. We also support the programmes which emphasize the role of peasant women and which guarantee their integration into all the socio-economic activities of their community.

We also support the continuation of a second phase of the Special Programme for Sub-Saharan Africa and we urge the donor countries to pledge their contributions without delay.

Mr. Chairman, the Latin American region and the Caribbean have pressing and grave demands in the sphere of rural poverty, the environment, and the participation of rural women. For this reason, we propose that IFAD should act in concert with other countries and international organizations to urgently support these demands, and exceed the historic levels of cooperation by IFAD in our region.

Mr. Chairman, Ladies and Gentlemen, our commitment to IFAD and its principles and objectives is also an expression of our gratitude to this multilateral funding agency for development which has kept clear of the unjust embargo imposed on Nicaragua by the United States administration. Throughout these years, in addition to military, political and diplomatic aggression, my country has been subjected to a trade blockade which has prevented it from gaining access to sources of development funding for reasons that have nothing to do with the economy. We are certain that by effectively sustaining its rural development loans programmes in Nicaragua through the exemplary Pronorte project and others that will be executed in the future, IFAD will maintain its multilateral character and will continue to "lend a hand" to the poor peasants of Nicaragua.

Mr. Chairman, in political terms, and despite the constraints, we shall not slacken our commitment to building a solid participatory democracy. The culmination of this effort will take shape in the elections which will be held in my country on 25 February of this year. These elections, which are being monitored very closely within and outside my country, are an eloquent and definitive proof of the triumph of democracy in Nicaragua, and its results must be given the broadest possible support and solidarity by the international community, without exception. At the same time, at the regional level, we have been actively fostering negotiation as the means of attaining peace and pluralistic co-existence.

In economic terms we have been implementing a tough stabilization and structural adjustment programme for our economy, at an extremely high social cost, without being able to depend on the necessary external financial support, convinced as we are that we are laying the foundations for healthy growth and a balanced distribution of benefits. At the last assembly of the IBRD/IMF we announced our intention to normalize relations with the multilateral financial organizations through constructive dialogue which will make it possible to prepare a comprehensive support plan. And we now wish to ratify this once again, and announce that steps have been taken in this direction.

The forthcoming international conference on the economic state of Nicaragua to be held in Rome shortly will provide an opportunity for the international community to support unreservedly this economic stabilization and structural adjustment effort.

We shall continue emphasizing these political and economic objectives until peace and self-determination, democratic co-existence and development form part of our reality.

We are certain that IFAD will continue to contribute to our effort to build this model.

Thank you, Mr. Chairman.

## Statement on Behalf of the Governor for Nigeria

Mr. Chairman,

The Nigerian Governor, the Honourable Alhaji Samaila Mamman, Minister for Agriculture and Natural Resources, had to leave Rome yesterday evening due to other pressing duties. He very much regrets his inability to deliver his Statement in person. He has asked me to extend to the Council his sincere apologies. He has also asked me to express his profound gratitude, and indeed the gratitude of the Government and people of Nigeria to you, Mr. Chairman, Vice-Chairmen, to all Governors as well as their Alternates, to the President and management staff of IFAD for the warm welcome accorded Nigeria's Chief of General Staff, Vice-Admiral Augustus Aikhomu on his behalf and on behalf of President Ibrahim Babangida two days ago when he addressed the Council. Mr. Chairman, Alhaji Samaila Mamman and the entire Nigerian Delegation wishes you a satisfying and satisfactory period of service to IFAD in particular and to humanity in general. Your election is a source of satisfaction to Nigeria. Congratulations.

Mr. Chairman, our statement to Council will be brief, our President's address having dealt with the major issues of concern to Nigeria, Africa and obviously to the majority of Member States of the Fund, judging from the comments that it has evoked.

It is now my honour to deliver the General Statement of the Honourable Alhaji Samaila Mamman, Minister of Agriculture and Natural Resures of the Federal Republic of Nigeria.

Mr. Chairman,
President of IFAD,
Distinguished Governors,
Ladies and Gentlemen,

This Council is meeting at an auspicious point in time. As world attention is focused on the changes currently taking place in Eastern Europe, there is the potent danger of losing sight of the grave problems of poverty, hunger and malnutrition facing the majority of the human race, and of allocating resources at the expense of the most disadvantaged of the world's population. It is imperative that we re-dedicate ourselves, at this time, to the noble goals of IFAD relating to the alleviation of hunger, malnutrition and poverty. The Federal Republic of Nigeria strongly supports the efforts to replenish IFAD resources to enable the Fund to maintain, enhance and diversify its noble operations.

Mr. Chairman, please permit me to stress the problems of sub-Saharan African countries affected by drought and desertification which my President, General Ibrahim Babangida, mentioned in his address to the Council this morning. These countries are increasingly losing the battle against desert encroachment with the attendant increased vulnerability to hunger, malnutrition and abject poverty. The gravity of the problem in Nigeria led to my establishment of a National Committee Against Drought and Desertification in the country. The Committee has among its objectives the reclamation of the environment and checking desert encroachment through afforestation based on communal participation. The Committee also encourages use of resources in such a way that sustainable agriculture is encouraged. Given the extent of the problem and its nature, the level of resource commitments needed for success is immense and beyond the meagre resources available to low-income nations. The support of IFAD and similar agencies for projects like this is highly solicited. In this regard, the IFAD Special Programme for Sub-Saharan Countries Affected by Drought and Desertification (SPA) is highly commended and requested to increase its coverage.

Mr. Chairman, it is against this background that Nigeria joins hands with the President of IFAD in his efforts to mobilize additional resources for the SPA. I must also thank IFAD for making it possible for Nigeria to be admitted, at very short notice, to the Intergovernmental Consultation on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. On Saturday 20 January 1990 in Observer status, Nigeria pledged its continued support to IFAD and its laudable programme.

Nigeria also notes with keen interest the work being done by IFAD under the SPA on the control of the Desert Locust. The work should be extended to cover the control of migratory locust as well if we are to avoid the risk of winning the war against the desert locust only to lose it to the migratory locust and grasshoppers.

Finally, Mr. Chairman, I wish to express the profound appreciation of my Delegation for the honour which IFAD has done us by inviting our President to address this august gathering which unfortunately he could not personally do due to important pressing national commitments, but for which he was ably represented by his deputy.

Thank you.

## Statement of the Executive Secretary of the Organization of African Unity

Mr. Chairman of the Council of Governors,
Mr. President of IFAD,
Distinguished Governors,
Ladies and Gentlemen,

I should like, first of all, on behalf of my delegation, to congratulate you and the members of the Bureau on your election. I am certain that under your enlightened Chairmanship, the work of this Governing Council will be very successful.

Mr. Chairman, since taking up his post at the head of the General Secretariat of the Organization of African Unity (OAU) last September, His Excellency Dr. Salim Hamed Salim, the Secretary General of the OAU, has been following IFAD's activities with the greatest interest. He would very much have liked to have been present with you today, particularly because this Governing Council is the first opportunity he has had since becoming Secretary General of our organization. And therefore, while thanking President Jazairy of IFAD for his kind invitation to him, he has asked me to apologize for not being able to take it up this time. I wish to say a few words on his behalf and that of the Organization of African Unity.

Mr. Chairman, I should like first of all to mention the excellent state of cooperation that exists between the OAU and IFAD, an institution appreciated by all and whose reputation is now firmly established. In this regard I would like to take this opportunity to pay a well-deserved tribute to the President of IFAD, our friend Idriss Jazairy, a worthy son of Africa, and his colleagues for all the efforts that they unceasingly deploy to ensure that your institution is equal to its lofty task and to mobilize the resources needed to implement its programmes; and pay tribute to you, distinguished Governors of IFAD, for the support which you have given IFAD to enable it to do a good job of work within the limits of the resources at its disposal.

The present session of the Governing Council is very important indeed, because on the agenda there are a number of important items, such as the examination of the budget for the year 1990, the progress report on the Third Replenishment, and the activities report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. I have no doubt that you will do everything you can to ensure that the discussions on these items are crowned with success.

Everyone acknowledges the fact that the management of IFAD is exemplary, and transparent. Moreover, IFAD has an appropriate approach to the problems submitted to it. It is therefore not at all necessary for me to stress our support for the programmes submitted to you, which are far from being able to meet the real needs, at all events.

We congratulate IFAD on the sound implementation of the Special Programme for Sub-Saharan Africa and would like it to be sustained, because more than ever before, it is the small farmers - who, as you know, form the very basis of economic readjustment and who are often required to work in a situation made precarious by natural disasters such as drought and desertification - who need this support. At all events, it would be a pity if a programme of such broad scope were refused the financial support it needs. This is why we are launching an urgent appeal to the countries which are known to be Africa's traditional friends, and which have not yet announced their contribution to the Special Programme of IFAD, to do so.

Moreover, since this is the second phase of the same Special Programme, the OAU sincerely hopes that all the Member Countries of IFAD, particularly the industrialized countries of Category I, will make voluntary contributions.

The replenishment of IFAD's resources is also a very important problem. In the search for solutions to lighten the indebtedness of the developing countries, raising the capital resources of financial institutions like IFAD is one of the agreed solutions. We congratulate you on having completed the Replenishment which should enable IFAD to continue more effectively still to make its contribution towards the economic recovery of the developing countries.

In Africa we are highly appreciative of the fact that IFAD "is pursuing its efforts to integrate environmental issues linked to poverty into the rationale of its projects." The OAU, on its part, is engaged in this task and it will constitute one of its priorities. A ministerial meeting and an African Convention are currently being prepared in this connection. We earnestly urge you to respond as soon as possible to President Jazairy's appeal to mobilize the financial resources needed to implement this programme.

The Scientific, Technical and Research Committee of the Organization of African Unity (CSTR/OAU) based in Lagos, Nigeria, has taken over the Commission for Technical Cooperation (CCTA) in sub-Saharan Africa. The CSTR has has been operating since 1964 and comprises:

- the Executive Secretariat based in Lagos comprising a Science and Technology Division and an Agriculture, Oceanography and Fisheries Division,
- sub-regional offices,
- IBAR (the Inter-African Bureau for Livestock Resources) in Nairobi, Kenya,
- the CPI (Plant Health Council) at Yaoundé, Cameroon,
- SAFGRAD (the Cereals Research and Development Project in semi-arid zones) at Ouagadougou, Burkina Faso,
- the Integrated Project for the Fouta Djallon Massif at Conakry, Guinea.

The CSTR initiates research projects in all fields of development with a regional or sub-regional scope and submits them to the Council of Ministers of the OAU for its approval. The CSTR then finds the funding for the projects and, if necessary, implements them or has them implemented by specialized agencies.

The CSTR is cooperating very successfully with IFAD in the agricultural field in particular. IFAD has financed:

1. The "Farming Systems Research (FSR)" component of the SAFGRAD Project in three Member States: Benin, Burkina Faso and Cameroon worth a total of about US$ 4 000 000. This important component has defined the constraints on the development of agricultural production: water management, soil fertility and farm labour, and is seeking the necessary solutions. The results obtained should make it possible to extrapolate for other zones and thereby facilitate the transfer of technology at small farmer level.

2. IFAD's Agricultural Management Training Programme for Africa (AMTA) is being jointly implemented by CSTR and the African Development Bank (AfDB). It has already trained about twenty senior English-speaking and French-speaking managers.

CSTR would like to see AMTA eventually operating in the 50 OAU Member States, all of which are really in need of senior agricultural managers. We are also thinking of proposing that IFAD cooperate in other efforts, such as:

- combatting soil deterioration and erosion, which hamper agriculture production;
- stemming coastal erosion, which is particularly acute in West Africa: Côte d'Ivoire, Ghana, Nigeria, Senegal, etc.;
- and creating a Bureau for the tropical forests.

Mr. Chairman, in Africa we are more overjoyed than anywhere else in the world at the newly-restored détente and peace. We have the firm hope that the resources used hitherto in mobilizing armaments will now be devoted to the progress and prosperity of mankind. For this same noble objective IFAD has demonstrated its capacity to mobilize international solidarity for the poor.

It deserves all our confidence.

## Statement of the Governor for Senegal

Mr. Chairman of the Council of Governors,
Distinguished Governors,
Ladies and Gentlemen,

I should like, first of all, on my own behalf and that of the Delegation of Senegal which I have the honour of leading in the absence of H.E. Minister Cheikh Cissokho, who has been detained in Dakar on important government business, to congratulate you most sincerely on your election to the Chairmanship of the Governing Council of the International Fund for Agricultural Development.

It is a particular pleasure for me to do so because knowing your skills, your human qualities and your talents as a consummate diplomat, I have no doubt whatsoever that the business of our session will be conducted very successfully under your wise management.

In this noble task, may I assure you, Mr. Chairman, that you may count upon myself and my Delegation to give you all the support and all the cooperation that you may rightly expect from Senegal.

My Delegation also congratulates the two Vice-Chairmen who have been elected at this session, and the outgoing Bureau of the Governing Council for the excellent work it has accomplished, particularly in the context of the Third Replenishment of IFAD's resources under the successful chairmanship of Minister Gerrit Braks of The Netherlands.

I would also like to take this opportunity to extend a warm welcome to the Federation of Malaysia and the Union of Myanmar which have just been admitted to membership of IFAD. These members, even though it hardly needs stating, are yet another illustration of the universal vocation of our organization.

Mr. Chairman, you will allow me to immediately address a few words to Mr. Idriss Jazairy, the President of the International Fund for Agricultural Development.

Mr. President of IFAD, this is certainly less a time for giving praise than for taking stock of the Fund's activities during the past year. But when we examine them - and they have been absolutely positive - we are forced to recognize and appreciate in just measure the faith and conviction with which you have taken in hand the destinies of IFAD since your appointment, by resolutely steering its work and its energies in the right direction. That is to say, the direction of the poorest countries, including the sub-Saharan African countries affected by drought and desertification, and in these countries, towards the small rural farmers and the most impoverished sections of the population and the most vulnerable target groups, in this case rural women and youth.

With imagination and spirit of initiative you have embarked on a line of thought which we consider to be very wide-ranging for the future of the Fund insofar as the purpose of it is to give our organization, whose activities and needs are bound to grow, a more solid and hence more secure financial and structural base. We shall be coming back to this issue which we believe to be of paramount importance.

Your faith in the organization and your spirit of initiative which drives us on, and your imaginative capacity are the cardinal virtues we believe to be necessary if we are to achieve the great designs that we have set ourselves.

The confidence which the Governing Council has placed in you by renewing your mandate as the President of IFAD last year is, in our opinion, fully justified.

Senegal will therefore continue, as in the past, to lend its most steadfast support to you and to your whole team, to which my Delegation would like to pay tribute for its spirit of abnegation and unfailing devotion in the cause of IFAD.

Mr. Chairman of the Council of Governors, Ladies and Gentlemen, the International Fund for Agricultural Development, which was established in December 1977 in implementation of a decision taken by the World Food Conference, is now beginning its Thirteenth year. Thirteen years is very short in the life of an international organization, but in IFAD's case these thirteen years already constitute an extraordinary pool of accumulated experience, and a remarkable contribution to combatting hunger and malnutrition, poverty and misery in the world.

Millions upon millions of families of small farmers, shepherds and fishermen have benefited, and continue to benefit, from the projects and the spin-offs of the activities of this young financial institution whose particular effectiveness as a tool is due to its specific nature.

To give but one example from 1989, 23 new projects, of which 21 are IFAD-initiated, and 32 technical assistance grants were approved for a total of US$ 273 million, an increase of 12% over the amount of the activities of the previous year.

These projects and activities in the food and agricultural sphere are of vital importance for a developing country like Senegal, faced as it is with very severe economic problems and which, in addition, is now involved in implementing structural adjustment programmes and policies.

While the implementation of this policy in Senegal has certainly helped to restore a number of major macroeconomic equilibria, it has also curbed imports without raising agricultural production to any significant degree.

Unfortunately, as everyone knows, the social classes which are most severely affected by the structural adjustment programmes are the small farmers, the women, and low income workers who form the majority in the rural sector.

Fortunately, however, Senegal has been implementing an agricultural policy to overcome the crisis since 1984. The basic idea of this policy is to get the Senegalese peasants to take their own destiny in their own hands and to give them more responsibility in order to promote them to the level of veritable farm heads.

This decision requires the State to gradually pull out of production and marketing activities and to create a better-informed peasant class which is capable of taking the right decisions for the more effective economic management of their farms, benefiting from appropriate support to acquire agricultural inputs.

In this connection, my Delegation shares the views expressed by President Jazairy in his excellent statement at the opening of this session, particularly with regard to agricultural credit and forms of participatory development. Senegal also trusts that it will be able to benefit from IFAD's technical assistance and experience in this sphere.

Mr. Chairman, the misgivings that marked the replenishment of IFAD's resources, and the particularly unfavourable international environment as far as the developing countries were concerned in view of the slump in basic commodity prices, the continuing pressure of external debt and the negative capital transfers towards the developing countries are all factors that have led IFAD to implement a Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, beginning in 1986.

With 23 projects and programmes spread over about 20 sub-Saharan African countries, this Special Programme has attained the target figure of US$ 300 million, which is a matter for rejoicing. This Programme has therefore given proof of its flexibility and effectiveness.

As you may well imagine, Mr. Chairman and Distinguished Governors, this Special Programme is shedding a new ray of hope on the countries of sub-Saharan Africa affected by drought and desertification.

It is therefore due to our conviction that a programme of this kind is of decisive importance to Africa that the Senegal Delegation wishes to launch an urgent appeal from this podium to all the industrialized countries, to traditional and potential donors, and to international financial institutions and organizations to support the continuation and intensification of the activities of the Special Programme with their financial contributions.

Mr. Chairman, there is one particularly pernicious scourge plaguing the already sorely tried African agricultural economies: the threat of locusts. This is the reason why we, in Africa, give great importance to regional cooperation in this field and particularly within organizations like OCLALAV and IGAAD, to quote but two examples. But this regional cooperation can only be effective if it continues to enjoy the active support of the international community under well-thought-out and well-coordinated programmes.

Fortunately, Africa knows that it can depend upon the renewed generosity and solidarity of this community whose tireless efforts we are most pleased to hail today, just as it knows it can count on its generosity in combatting the degradation of the environment, the gravity of which ranges beyond national borders, and which IFAD has decided to deal with decisively, thanks to the support of all its members and particularly the donor countries, by mobilizing additional resources for which we, the developing countries, are strongly appealing.

This mobilization demands great determination and particularly political, moral and financial support from all the Member States, without exception, all Categories included.

It is with this in mind that the Senegal Delegation is pleased at the successful completion of the Third Replenishment of IFAD's resources, even though the level of US$ 570 million is still far below the US$ 750 million attained under the Second Replenishment. This is also the reason why the Senegal Delegation, while approving the audited financial statements of the Fund for 1988, would like to give its strong support for the 1990 administrative budget of approximately US$ 39.835 million and the programme of work for the same year for 214.4 million SDRs, of which 200 million will be used for financing projects in the recipient countries.

Mr. Chairman, we have just said - and this is our final comment - that the Senegal Delegation is in favour of the discussions that have been embarked upon in IFAD under the auspices of President Jazairy in the context of the activities of the High-level Intergovernmental Committee to seek out, together, the most appropriate ways and means of providing our institution with a solid structure, looking ahead to the future, and with a viable basis for the replenishment of its resources.

We hasten to add that these discussions should be conducted with the constant concern to preserve past achievements and maintain the specific nature of the Fund.

The Senegal Delegation believes that it is this specific nature of the Fund which, by linking the criteria of fair representation with the imperatives of both North-South and South-South cooperation, makes IFAD a unique institution of its kind in the field of multilateral cooperation in the United Nations system, as well as being an irreplaceable tool at the service of development.

We believe that it is only by preserving its specific and original character that IFAD, enjoying the support of all its Member States, will be able to respond positively to the hopes that millions of men and women have placed in it, and effectively perform the noble mission for which it was instituted, namely to make a substantial contribution towards the eradication of hunger and malnutrition throughout the world.

May the winds of freedom which are currently blowing through our planet and the hopes which are arising from recent developments in international relations moving towards greater détente and greater trust among peoples, free new resources and energies to be used towards attaining these noble objectives.

## Statement of the Governor for Sri Lanka

Mr. Chairman,
Excellencies and Distinguished Delegates,

I wish to congratulate the Chairman of the Conference on his election to the high office. I also wish to place on record Sri Lanka's best wishes to the Union of Myanmar and Malaysia as they join the international community.

A decade and three years ago, the Fund for Agricultural Development was established with a mandate to increase food production, reduce under-nutrition and alleviate poverty. The target groups were the smallholder farmers, the landless and other groups usually by-passed by previous development efforts. Food shortage, poverty, famine continues to stalk the earth. IFAD has courageously stood up to the challenge. For developing countries like Sri Lanka, the contribution made by IFAD is invaluable.

In the global context, increasing population and pressure on cultivable land and its attendant problemns will continue to challenge IFAD. IFAD's recognition and promotion of grass roots institutions is noteworthy, particularly as the target groups are characterized by low incomes, poverty and malnutrition.

Population increase and food production are closely interwoven and interlinked and therefore it is of little use to think of agricultural policies independent of a package of complementary policies. Unless the developing countries focus on population control, any increases in agricultural production would only be consumed by the increasing population and the efforts of farmers to better their standards of living will be frustrated. Poverty will continue. Poverty is also a major cause of environmental damage, particularly in the developing world. Poor people unable to afford the cost of various kinds of energy from fossil fuel and other sources, must resort to cutting down forests to meet their energy requirements. Poor countries also engage in deforestation as a result of population pressure and the need to find avenues of productive employment for the people.

The problems of development are multifaceted but some problems are unique for individual countries. Therefore, policy planners need to share the experiences from different countries and adopt the policies most suited to their specific environment. Agricultural planners will not do justice to their countries unless the policies are conceived taking into consideration the global, regional and local realities.

### Sri Lanka's Situation - Historical Perspective

The domestic agricultural development policies in Sri Lanka were oriented primarily towards achieving self-sufficiency in the basic food, rice. Increasing rural employment, releasing population pressure from the densely populated wet zone of the country and improving the general living conditions in the rural areas were complementary policies. Development of the domestic sector received attention as far back as the 1930s and the period up to the 1950s saw the extension of the land area under rice cultivation. The next phase was the 1950s during which the emphasis was on developing institutional support and irrigation infrastructure. The third phase in the 1960s saw the introduction of high yielding, fertilizer-responsive rice varieties and an associated package of technologies and further changes in rural institutions.

During the 1970s, programmes were implemented to increase the production of other food crops such as coarse grains, grain legumes, roots and tubers, etc., along with rice. This shift in policy was the response to the dire foreign exchange crisis of the country and the fact that wheat and other staples became dearer in the international market. The foreign exchange crisis and the closed economic policy of the Government provided the required impetus to promote the production of non-rice crops. However, the production of these food crops was achieved through expansion of area rather than through increased productivity.

A turning point in agricultural production is the 1977 period. The Government opened up the economy leading to a free inflow of inputs and services and at the same time offered a package of support services such as better research and extension, better management systems, improved varieties of seed and better institutional backup for farmers. The farmers readily responded to the Government's offer. Unfortunately, it was not possible to sustain the steady growth in agricultural production recorded from 1977 to 1983, as the country had to confront both natural and man-made calamities.

## The Contemporary Era

1989 ushered in a new era for Sri Lanka. Peace, discipline and poverty alleviation were the three-pronged approach of the new vision as enunciated by H.E. President Ranasinghe Premadasa, President of Sri Lanka, to usher in prosperity. The objective of restructuring the economy is alleviating poverty through direct investment in human beings. People-based development refers to a particular conceptual framework, which is fundamentally different in form and content from the conventional development approach. People-based development invests primarily in human beings and mobilizes their wisdom and skills to the full. The methods are equally valid for the public, private and peoples' sectors. As a matter of fact the aims and objectives of IFAD in every measure coincide with those of the Government of Sri Lanka in the sphere of poverty alleviation at the grass roots level.

Investing in people, is to disinvest in poverty. Poverty puts people last, dehumanises them and wastes our most creative resource, human beings themselves. The need is to reverse this and strengthen the human base as the social foundation. By directly providing it access to resources, we are confident of transforming this passive, inert and excluded group into producers, creators and owners of assets.

This programme of investing in our human base has three key elements - the family, its resources and time - with these, the scheme can be made operational throughout the island, in a phased manner, starting with the poorest.

## The New Era and Agriculture

In 1989, a new Ministry encompassing a large spectrum of activities ranging from domestic agriculture, food stocking and distribution, cooperative development and livestock development, was formed. The present agricultural policies can be considered a major deviation from the policies and strategies followed during the post-independence period which were very appropriate for the period when there was an abundance of land for development. Due to the efforts of successive governments since independence most of the lands that could be brought under major irrigation schemes have already been developed and possibilities of further expanding irrigated agriculture are therefore comparatively few. Although some impressive advances have been made in the field of agricultural development over the years, it is evident that it is difficult to sustain the development effort with the same package of policies and strategies.

Agriculture is an ever-changing challenge and we recognise that new concepts and policies require consideration. Many an assumption of the past may need to be reversed.

Whatever new policies are adopted, certain realities cannot be avoided. For instance, Sri Lanka has a land area of approximately 65 000 square kilometres and a population of 16.4 million - an obvious disproportion in the land/man ratio. This disproportion will increase in the years to come.

Another factor that is clearly evident is our dependence on rainfall and the consequent restrictions and limitations. In spite of the immense advances made in the area of irrigation in Sri Lanka, a large number of our farmers are totally dependent on rain-fed agriculture and they are the poorest of farmers.

Another factor to be borne in mind is that 70% of Sri Lanka's farmers operate less than one hectare of land. This situation is perhaps unique to Sri Lanka and emphasises the preciousness of land to all of us who live on this island. Wastage is disastrous and can come in many forms. Under-utilisation is one form of waste and must be avoided at all costs. It is extremely important that every centimetre of cultivable land be utilised to a maximum sustainable level.

Commercial orientation of Sri Lanka's agriculture is essential. Commercialization of agriculture is closely linked with farmer incomes which must be increased from a pathetically low level. Age-old traditions and cultural patterns have instilled in our farmers and land owners the concept of growing for consumption. It is now time that this be replaced with organized commercially-oriented production. In other words, the farmer must grow for cash and not for household food self-sufficiency alone.

Unfortunately, there appear to be considerable differences in the way productivity is assessed. We assess a nation's productivity by its volume of agricultural production and we do not sufficiently reflect upon the fact that an increase in national production should result in an increase in farmers' incomes. While farmers need to change their attitudes on many matters, policy-makers, technocrats and others need to change their view of farmers and to look at productivity from the standpoint of individual farmers and the farming community.

Foremost in this strategy is the need to form farmer organizations. These can be made the instruments of change not only of farmers' attitudes, but of what they produce and how they market. Such organizations would result immediately in the farmers' strengthening their financial standing.

A well-known system of farmer organizations within Sri Lanka is the Cooperative System which expanded during the Second World War as a distributory network but which has become a much-criticized institution. Political interference has been one contributory factor. A revamping should transform it not only into a better distributory system but one in which the farmers themselves would have a powerful influence. It should be an independent body, although for administrative purposes departmental supervision is necessary. The situation will soon be rectified through a new Cooperative Law.

The proposed law will make the cooperative societies more efficient, viable and productive enterprises. A greater degree of member participation incorporating fully the cooperative principle of managing its own affairs will be introduced. State controls will be drastically reduced. The members' Committee will be empowered to determine the affairs of the society and the general body will have a greater degree of independence.

Those who are directly involved in the system such as the rural women, should play an important role in it. Experience has shown that women who perform some of the most tedious tasks in the rural sector are capable of the highest degrees of responsibility. They are responsive to change and innovation. The relative gap between male and female education in the past has led to an under-appreciation of the role and potentiality of women in the agricultural and rural spheres. Now that Sri Lanka has equalized male and female educational opportunities, this equality must be reflected in rural organizations, especially those of farmers.

There are writings of great scholars, which relate to many of the problems affecting the farmers throughout the world. Broadly, they refer to soil conservation, inputs such as fertiliser and pesticides, agricultural credit, quality of production, farmer organization and marketing. These problems must not be tackled and analysed only on a macro-basis. These problems can be resolved primarily through applying solutions on a micro or one-village basis. If we succeed in a particular village, we gain practical experience. Errors can be corrected and the experience of one village can be transferred to another first conservatively and then in geometric progression. It is on this basis that the concept of the Agricultural Productivity Villages is conceived.

The Agricultural Productivity Village concept is designed to transform Sri Lanka's rural producers' orientation from production for consumption to production for a market, particularly for export. In the Productivity Village, they will seek to move from low-value to high-value crops. The Agricultural Productivity Villages seek to change production methods from pure tradition to traditions tempered with science. They seek to change individual production patterns to voluntarily accepted group patterns. Hopefully, their reliance on the Government as a father-figure will be replaced by Government Agencies being partners in raising farm incomes. The pivot will be the farmer organizations, Government agencies being only attendants. The lessons of science and the practice of commerce will be linked with the special genius of those who produce agricultural goods.

The Agricultural Productivity Villages will be the focal point to maximise production and effective sales. Therefore, they will become tangible demonstrations of the possibility of solving macro-problems through micro-level interventions.

The role played by IFAD in alleviating poverty and starvation the world over is deeply appreciated especially by us in the developing world. The poorer countries have no option but to develop, but they have to choose a pattern of development which will not be self-defeating in the long run. What is needed is "sustainable development" which would require more resources. This would be possible only if the whole international monetary system is reorganized to transfer substantial, even massive resources to the developing countries. Then only would the Third World countries be able to grow and ensure sustainable development.

The statement of Poverty Alleviation made by Barber B. Conable, President of the World Bank, when addressing the Board of Governors is very relevant in the context of the Third World:

> "Let me focus now on the central goal of the Bank: the reduction of poverty. Poverty on today's scale prevents a billion people from having even minimally acceptable standards of living. To allow every fifth human being on our planet to suffer such an existence is a moral outrage. It is more: it is bad economics, a terrible waste of precious development resources. Poverty destroys lives, human dignity and economic potential. It must be fought with resolution, and overcome with sustainable growth."

I fully share the views of Nancy Gallup of the United States Agency for International Development when she states that:

> "What is significant about IFAD is that there is no other institution which is focusing exclusively on the agricultural development needs of the small farmer and landless poor. The food production potential of these projects is very, very promising."

As far as my own country is concerned, while fully acknowledging the tangible benefits received through the IFAD programmes, it may be a good idea if IFAD could bear the full responsibility of loan disbursement and project execution by itself in preference to sharing with others as these modalities may entail certain delays.

Sri Lanka would also very much appreciate it if IFAD could consider favourably an increase in the frequency of loan disbursement in keeping with our actual poverty alleviation needs and contribution levels.

## Statement of the Governor for The Sudan

Mr. Chairman,

On behalf of myself and the Republic of The Sudan, I have the pleasure, brother Secretary of the People's Committee for Agricultural Reclamation and Land Development of the Libyan Arab Jamahiriya, to congratulate you on your election as Chairman of this important Governing Council Session. I also wish to congratulate the two Vice-Chairmen and express the firm belief that this election will be of great benefit to IFAD. I also commend the role played by your predecessor, Mr. Braks, Minister for Agriculture of The Netherlands, and his collaborators in the presidency of this Council that enabled us, thank God, to complete satisfactorily the Third Replenishment of the Fund's Resources.

Certainly, the statement by the Italian Prime Minister was quite impressive in underlining the necessity of multilateral/international cooperation to resolve the problems of agricultural development and food supply. His attendance reaffirms the importance of this Fund in alleviating the intensity of poverty and hunger through integrated rural development. The Italian Prime Minister's interest reflects the concern of the Italian Government for people in the developing countries and their future.

Likewise, we had the honour to hear to the statement by the Vice-Admiral Augustus Aikhomu, Chief of General Staff, Federal Republic of Nigeria, who rightly described the state of the developing countries in general and African countries in particular who are suffering from indebtedness and natural disasters. Intensive international efforts are needed to contain these problems and to strengthen efforts for the development of the peoples of the Third World.

Mr. Chairman, I cannot help lauding the Fund for tackling the problems of poverty and hunger and backwardness through its co-financed programmes and projects which converge with our objectives and policies aiming at integrated rural development and increasing food output by supporting small farmers and rural poor. Within this context, I would like to extol the sagacious stewardship and farsightedness of Mr. Idriss Jazairy, President of IFAD, and applaud his constructive initiatives which are translated into effective programmes to remedy the problems confronted by this Fund. I also acclaim the Fund's administration and staff which, notwithstanding its small size, has demonstrated high efficiency and rare capability in overcoming problems.

Mr. Chairman, Distinguished Governors, I would like to express in the name of the Sudanese people and Government, our full satisfaction with the Fund's efforts and its invaluable aid translated into projects with positive results. The Sudan is one of the largest countries in Africa, blessed with bountiful natural resources that can provide food security and a large quantity of food commodities and agricultural raw materials for industry, which hopefully (as many international experts assert) will help overcome food shortage in the neighbouring countries.

Because of the natural disasters of recent years, such as drought, desertification and floods, in addition to two consecutive years of desert locust invasions, The Sudan has confronted large migrations from its once-productive areas to towns along the Nile.

In the face of poor production, higher consumption needs and deteriorated services, enormous efforts are needed to rehabilitate the affected areas and to resettle the migrants. In addition, the war in the south of the country has adversely affected the life and economy of the country. The present Government is bent on resolving these problems and constraints. Foremost among the problems to which my Government attaches importance is achieving lasting peace in Southern Sudan through direct and unconditional dialogue and consultation among the various people's factions and organizations. We shall endeavour to build confidence and understanding between The Sudan and neighbouring countries and bring about détente at both the internal and external levels. Accordingly, the Sudanese Government has visualized the basis on which peace could be achieved through the recommendations of the National Dialogue Conference, held last October. All political powers and other entities were represented at the Conference which drew up a formula for wise legislation and rule, and a fair distribution of power and resources. My Government has taken a series of peaceful initiatives in the past few months, and will continue to pursue every road that leads to peace because it is the way to political stability and security, economic development and social prosperity.

In order to tackle the economic malaise, the National Conference for Economic Salvation was held last November to identify the problems and put forward solutions to remedy accumulated failures in various economic sectors. As a result of this Conference, phased programmes and policies were adopted for all productive and governmental sectors. We have decided to design agricultural policies that are consistent with the recommendations of the National Economy for Economic Salvation with the aim of realizing both food security and a surplus for exports, as well as the development of natural resources and conservation of the environment.

In order to increase production, these policies have focussed on private, cooperative and mixed production sectors. Likewise, these same policies have confirmed the importance of the traditional sector which represents a large segment of the farmers in The Sudan who make a major contribution to food security and the national economy.

Mr. Chairman, the aforementioned traditional sector, representing 70% of the farmers, are actually small farmers and the rural poor - the targets of the Fund's projects. The Sudan's agricultural policies aim at:

(i) conservation of the environment in the rural and production areas;
(ii) provision of production supports and agricultural credits;
(iii) creation of appropriate marketing and distribution channels;
(iv) adoption of pricing policies in order to encourage small producers;
(v) supporting and stimulating women's role in agriculture and integrated rural development.

Mr. Chairman, one of the most important efforts of the Fund in Africa is undoubtedly the Special Programme for Sub-Saharan Africa which is appropriate for the grave plight this region suffers. The donor countries, thankfully, have accepted to shoulder full responsibility for this Programme and have contributed to its success.

The serious conditions in this region that led to the formulation of the Programme have improved in some cases, but a pressing need remains, calling for more support for this Programme and replenishing its resources for a second time to enable the Fund to complete its objectives. We have all noted the beneficial effects of the Fund's programmes in averting the disastrous effects of poverty and hunger in the sub-Saharan areas of Africa.

I am grateful to the donor countries which contributed in the past to this Special Programme and I trust that they will continue their responsibility by replenishing its resources. Similarly, I invite the countries that could not afford to contribute in the past to make an effort this time to contribute to the replenishment of its resources.

Mr. Chairman, the problem of under-development and backwardness and poverty in our country and in most African countries is a natural consequence of many negative factors which have led us to our present state. The environment has been the worst hit, and the public is aware of its importance as a basis for the continuation of life and progress. Nevertheless, it has deteriorated: the desert has encroached, forests have shrunk, water resources have dried up and the climate has changed in many areas. The worst affected are the farmers who live in the areas with fragile ecological structures and the result is an intense exodus from these marginal areas to neighbouring areas with limited possibilities. Even these areas have deteriorated as a result of pressure from the migrants who later settled in towns without any planning or preparations.

Lately we have been delighted by the increasing international concern for environmental conservation. A number of organizations are tackling ecological problems according to their different concepts and necessities. We are pleased to know that IFAD is also concerned with ecological problems which have become part and parcel of its main objectives, especially in relation to its target group, the poorest of the rural poor.

We therefore support the Fund's proposal to appropriate funds for projects to tackle the problems of the environment. Notwithstanding their low economic return, they are quite necessary to protect the rural poor and smallholder farmers from grave risks.

Mr. Chairman, we commend the Fund's policy to realize regional projects and programmes with positive effects on the institutional regional cooperation among the countries of the South. We trust that the Fund would increase such programmes in the fields of ecology and research on animal diseases and pests.

Likewise, we applaud the Fund's cooperation with other world organizations and we invite it to intensify its coordination with international and regional specialized agencies.

Finally, Mr. Chairman, I reiterate my gratitude to the donor countries and the various financial organizations, funds and all charitable and enlightened parties who have contributed altruistically to the welfare of humanity.

Gentlemen, I thank you for listening and I pray God that you succeed in your efforts and those of the Fund and its executive staff.

May God's Peace and Mercy and Blessings be upon you.

# Statement of the Governor for Syria

Mr. Chairman of the Council,
Mr. President of the Fund,
Excellencies, Heads and Members of Delegations,
Distinguished Observers,
Ladies and Gentlemen,

In the name of the Delegation of the Syrian Arab Republic, may I congratulate you on your election as Chairman of the Governing Council, and for the trust the Governors have reposed in you with the hope that our Session will be crowned with favourable results which our peoples desire. I also have the pleasure to thank Mr. Idriss Jazairy, President of the Fund, and his staff for their excellent preparations for this Session and we share the ideas expressed in his statement, especially the importance he attached to tackling the problems of drought threatening the world and the need to develop the effective role of women in the rural development.

I would like to welcome the acceptance of the Union of Myanmar and the Federation of Malaysia as members of the Fund.

Mr. Chairman, my country is doing its best to realize an accelerated and integrated agricultural development. It has given top priority to the process of socio-economic development and to projects of integrated development serving small producers by providing them the conditions for wide participation in the planning and management of these projects. My country likewise focuses on the role of rural women in development through expansion of rural rehabilitation centres, the development of traditional rural industries and encouraging the participation of women in all development fields.

It is worth mentioning here some of the objectives of the seventh quinquennial plan (1991-1995) for socio-economic development based on a deep understanding of food and nutrition problems. The following are some of the objectives:

(i) stressing the productive role of the farmers and participation in the formulation of agricultural policies;
(ii) exploiting all available potentialities for the development of water resources and crops that withstand drought, and relying on irrigation to increase production;
(iii) employing modern technologies and supplying production inputs;
(iv) exploiting the desert by restoring its vegetation.

Mr. Chairman, Syria had very little precipitation last year and the prospects do not augur too well this year either. You may imagine the adverse effects of this condition on plant and animal production and on the balance of payments and economic activity as a whole. Consequently, my country was impelled to import additional quantities of grains and other food stuffs in order to meet the food requirements of our people.

Mr. Chairman, as years pass the problem of water shortage in a number of countries grows worse. I believe the Fund can play a role in alleviating this problem by shifting part of its activity to developing lower cost water resources and securing their fair distribution between different countries, developing technologies for the optimum use of water resources and generalizing their application in developing countries.

The technical bodies in my country have done implementation studies of a number of agricultural projects, taking into consideration the problems of drought and the shortage of water resources.

Mr. Chairman, we listened with great interest to the statements of other delegations, and we would like to join them in supporting the International Fund for Agricultural Development. Our delegation highly appreciates the praiseworthy efforts of the Fund to attain constructive results and its proposals to overcome the knotty problem of drought that threatens the life of millions of the populace of the developing countries.

Thank you.

## Statement of the Governor for Thailand

Mr. Chairman,
Mr. President,
Distinguished Governors,
Ladies and Gentlemen,

At the outset, on behalf of the Thai Delegation, I would like to congratulate you, Mr. Chairman, on your appointment, and the distinguished Governors of Guatemala and the Federal Republic of Germany as Vice-Chairmen. I am confident we are in capable hands.

My Delegation also wishes to take this opportunity to extend a sincere welcome to our new members, namely the Union of Myanmar and the Federation of Malaysia.

Mr. Chairman, Thailand's interest in and enthusiasm for the work and aims of IFAD since its inception have been shown by its financial contribution both to the initial funding and to all Replenishments, its active and responsible participation in the Executive Board and the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure. Today we are pleased to note that in 12 years of operation, IFAD has extended its lending assistance to benefit millions of people in developing countries. We are also happy to note that this Fund has continued to focus its activities on problems of under-development and poverty. Its policy aims at the less-advantaged people of the world who really need and deserve assistance. Thailand firmly believes that the purposes for which IFAD was established remain as valid as ever. My Delegation wishes to take this occasion to reaffirm its support of this promising institution and is ready to continue to take its responsibility in the High-level Intergovernmental Committee.

Regarding specific matters, Mr. Chairman, I should like to express our view on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, which was set up in 1986 in the context of the low Second Replenishment of resources. After carefully studying the progress report on this programme, document GC 13/L.8, my Delegation is of the opinion that this programme has really served its purposes. It has initiated meaningful efforts to help the poorest group of farmers living in the most marginal areas to gain a measure of control over their lives and environment and has raised hopes for a more secure future. However, due to the limited resources of the Fund, we strongly support the view that the Special Programme for Africa should be continued through inviting further voluntary contributions by donor countries.

Before I conclude on behalf of my Delegation, I wish to express our appreciation to H.E. Gerrit J.M. Braks, Minister for Agriculture and Fisheries of The Netherlands, the outgoing Chairman, who played an important role in the Third Replenishment. His utmost efforts have proved most valuable and are widely recognized by all concerned.

Thank you, Mr. Chairman.

## Statement of the Alternate Governor for the United Kingdom

Mr. Chairman,
Mr. President,
Fellow Governors,

First, let me join other speakers in extending a warm welcome to the Fund's newest members, the Union of Myanmar and the Federation of Malaysia.

A new decade is a time of excitement, expectancy and hope. Over the past twelve years, IFAD has built up a solid reputation for developing innovative ways to assist the rural poor. Yet it has to be said that financial stability remains as elusive as ever. A satisfactory outcome to the Third Replenishment was achieved thanks in part to the determined efforts of most members of all three Categories. But the arrangements which were evolved for the matching by Category I of convertible currency contributions by Category III were regarded as wholly exceptional and confined to this Replenishment. The future basis of replenishments remains unclear; and we regard a solution to this problem as still the most urgent priority facing the Fund. In this context, we welcome the proposed resumption of the work of the High-level Intergovernmental Committee later this year. We are confident that the constructive atmosphere which characterised its earlier proceedings will continue; but, because of the length of time that has elapsed since the last formal session, we think it is essential that the ground should be carefully prepared.

Members of the Fund have frequently underlined the need to preserve the unique structure of IFAD as well as its mandate. Implicit in this structure, in our view, is the raising of resources on a basis of burden-sharing through a process of periodic negotiations between members of the different Categories. Associated with this are certain rights and obligations. The structure envisaged by IFAD's founders will inevitably be called into question if the assumptions underpinning that model no longer hold. We continue to regard core funding on an agreed basis of burden-sharing and at a sustainable level as the appropriate financing mechanism for IFAD. Special programmes relying on voluntary funding are not, in our view, compatible with this approach. They risk undermining the whole system of negotiated contributions on which the current structure is based, and weaken the shared responsibility of members to ensure an adequate level of funding. They also threaten the integrity of the institution by encouraging fragmentation and earmarking, thereby distorting the overall priorities. Rather than a patchwork quilt of special programmes, we should concentrate our efforts on forging a strong core structure.

For these reasons, we do not favour extension of the Special Programme for Africa for a further three-year period. There were exceptional reasons which justified its creation in 1986, not least the disappointing level of resources raised in the Second Replenishment. But we argued at the time that it would have been preferable for these activities to be part of IFAD's Regular Programme; and we think it is right that it should be incorporated into IFAD's regular activities, now that the Third Replenishment assures a viable level of lending to mid-1992.

We think the paper on environmental sustainability and rural poverty alleviation is an excellent set of guidelines for integrating environmental issues into IFAD's operations. The emphasis must be on integration. We are not persuaded that externalities impinge to any signficant degree on the small-scale projects which characterise the bulk of IFAD's activities, and therefore that a case exists for considering mechanisms to introduce additional concessionality. We note that the President intends to consider these issues further. It will be important to take account of the study which the Development Committee at its meeting last autumn asked the World Bank to undertake, of the mechanisms and financial requirements that may be needed to address the environmental challenges facing developing countries.

We also welcome the increasing emphasis on cross-cutting issues of gender in IFAD's operations, and look forward to the progress report on the implementation of the women in development programme next year. One of IFAD's great strengths is its emphasis on small-scale innovative and experimental projects for its target group. Whilst the trend to a higher proportion of IFAD-initiated projects is a reflection of the Fund's greater maturity, it would be unfortunate if ties to other international financial institutions were loosened to too great an extent. One of IFAD's functions was seen as directing the attentions of these larger institutions to the needs of the rural poor and to act as a 'ginger group'. These are factors which I hope will be recognised in the President's forthcoming study of IFAD's role in project appraisal and supervision. Another inescapable fact is that IFAD is a relatively small institution, and cannot possibly hope to address the full range of rural development issues. Care must be taken that it does not over-extend itself, and it needs to concentrate on those areas where it has a demonstrable advantage. Against this background, we feel that careful consideration needs to be given to IFAD's capacity to embark on the new initiative of microenterprises which was referred to in the President's address. I do not think we are yet at a point where we can endorse this as a priority for the 1990s without further examination of IFAD's proposals.

I trust that the management study, financed with the gracious support of Canada, will help to set the priorities in clearer focus. IFAD's staff is renowned for its dedication, hard work and professionalism; but even with current activities, there are disturbing indications of cracks in the seams. It may be prudent to pause and examine the root causes of these strains before embarking on new initiatives which will impose additional institutional costs.

The future decade will undoubtedly present new and difficult challenges. We are confident that under President Jazairy's leadership, IFAD will continue to rise to these challenges with its customary imagination and enthusiasm.

## Statement by Mr. Eugene Youkel, Director, European Office United Nations Development Programme

Mr. Chairman,

I am pleased to represent my organization once again at this sesson of the IFAD Governing Council. May I convey to you, and through you to all participants, the best wishes of the Administrator of UNDP, Mr. William H. Draper III, for a successful completion of your important tasks. I should like to commend the President of IFAD, Mr. Jazairy, and his able staff for maintaining the excellent relationship which exists between our two organizations.

The cooperative relationship which exists between IFAD and UNDP is undoubtedly well known to all of you. IFAD, with its responsibility for investment financing of agricultural projects and UNDP, as the major source of technical cooperation and preinvestment financing within the UN system, makes us ideally matched partners in the service of developing countries. During more than a decade, this collaboration has been growing continuously and particularly at the field level.

Our Office for Projects Services (OPS), which was designated as the cooperating institution for IFAD-funded projects in 1981, is at present involved with 52 projects in 37 countries, of which three are in the process of being negotiated. In addition, ten projects are in the 1990 pipeline. Total IFAD loan/grant funds for these 62 projects amount to more than US$ 500 million. This figure includes nine projects under IFAD's Special Programme for Sub-Saharan Africa and five projects financed from the Belgian Survival Fund. Since, as you are well aware, all IFAD projects are executed by the borrowing government, through its designated implementing agencies, OPS is responsible for the administration and the supervision of the project, in accordance with the provisions of the relevant agreement. It also participates in IFAD's project appraisal missions and loan negotiations. OPS ensures that the provisions of the IFAD loan agreement are met and that the project components are implemented in compliance with the appraisal report and the project's objectives. The responsibilities of OPS in loan administration and project supervision are carried out in consultation with the implementing government agencies and through regular missions by OPS staff and consultants. UNDP field offices facilitate this task by providing logistic support to OPS missions and Resident Representatives are kept informed of the project's status through periodic progress reports and briefings by OPS mission staff. OPS/IFAD cooperation has been expanding very rapidly and it is anticipated that it will continue to do so in the coming years. A year ago, in January 1989, the number of IFAD/OPS projects was 42 and their volume, US$ 438 million - compared to 52 projects, amounting to over US$ 500 million at present - an increase of nearly 20 percent.

We nevertheless wish to explore opportunities for a further intensification of our cooperation, taking fuller advantage of our complementarity. In this respect, we do our best to make sure that IFAD receives, on a regular basis, information on projects having potential for follow-up investment financing by the Fund. IFAD, on its part, could advise the UNDP offices of cases in which projects qualify for a loan from the Fund. UNDP offices will also keep IFAD informed of expressions of interest, by other multilateral or bilateral sources, in projects submitted to the Fund. In addition, UNDP will ensure that IFAD participates more actively in UNDP's Country Programming exercise. This is of particular importance now as UNDP enters into the preparation stage of the Fifth Programming Cycle. Suggestions or initiatives from IFAD would be welcomed and could be discussed at the senior meetings which our two organizations are holding on a regular basis. We hope that this kind of dialogue will enable us to report even more positive achievements in the years to come.

Mr. Chairman, let me say a word on the Special Programme for Africa - an important item on your agenda. We have read with great interest the documents prepared by the Secretariat, in particular the Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification (GC 13/L.8) and commend the continuing efforts of IFAD in mobilizing new resources. In this connection, we would like to state that the UNDP Governing Council has allocated a major share of UNDP's core resources for the Fourth Programming Cycle to the African countries' Indicative Programme Funds (IPFs) for an amount of approximately US$ 1.4 billion, representing 38% of the total UNDP resources (which is a 40% increase over the Third Cycle). Needless to say, the African continent is also a priority for all other funds administered by UNDP's Administrator. It is expected that this region will receive a further increase in resources in the context of the forthcoming Fifth Programming Cycle. Our Regional Bureau for Africa, in cooperation with the African governments, took all necessary measures to ensure that the country and regional programmes for the Cycle also reflect the priorities and objectives laid down by the UN Programme of Action for African Economic Recovery and Development (UNPAAERD). The programmes, as approved by the Governing Council, allocate, in line with UNPAAERD objectives, over 45% of the UNDP resources to agricultural development. No doubt, agricultural development will also receive a very high priority in future and we do not need to stress that IFAD will continue to be a close partner especially in the context of programmes related to the poorest in the rural areas.

Mr. Chairman, IFAD's policy on environmental sustainability and poverty alleviation through increased food production and support to micro-enterprises, smallholder producers and rural people, particularly women, has our fullest support.

We are pleased to see the appointment of the Technical Adviser of IFAD's special Women in Development Programme and wish a close working relationship between this programme and UNDP's Women in Development, NGO and United Nations Development Fund for Women (UNIFEM) divisions.

We are also pleased to be a partner and to play a unique role in the structural adjustment programmes of developing countries where urgent needs of the social sector and the poorest population are met through grants and concessional loans that our two organizations provide to these countries.

Finally, Mr. Chairman, I will end my intervention by reiterating UNDP's wish for further intensification of our collaboration with IFAD in all spheres of competence and interest to both organizations.

Thank you, Mr. Chairman.

# CHAPTER 4

## STATEMENTS AND SPECIAL ADDRESSES

### Welcoming Statement by the President of IFAD, Idriss Jazairy, on the Occasion of the Visit of The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic

Mr. President of the Council of Ministers,

It is truly a great privilege for me to welcome your Excellency to the opening of this Thirteenth Session of our Governing Council

We are honoured to be able to pay tribute to an illustrious statesman who has stood at the forefront of Italian politics and foreign relations since 1947. Likewise we wish to pay homage to a leading advocate of the North-South dialogue as well as one of the major exponents of cooperation for development.

We have observed with utmost interest your Excellency's efforts, on behalf of the Italian Government, not only for the economic recovery of your country - particularly the rehabilitation of the southern regions - but also for the emergence of new solidarities between industrialized nations and their neighbours or distant less developed partners. I salute the tireless architect of reconciliation between peoples living on both sides of the Mediterranean sea and still further away between Europe and the whole developing world. Your noble action perfectly fits the historical vocation of Italy to promote dialogue and peace among nations.

May I now, Excellency, quote the words you pronounced in 1988 before the Council of Europe "Today more than ever, men are becoming aware that they are linked together by a common destiny and by the necessity to build their future together ...". To win the battle against poverty is the foremost challenge of the future and the inability to reach an acceptable balance heavily mortgages the dawn of the twenty-first century.

We enthusiastically endorse your statement which reflects great wisdom, generosity and acumen.

In this respect I would like to stress how much we appreciate the crucial part your country is playing in multilateral cooperation for rural development. Since the United Nations agencies involved in such activities are located here in Rome, the Eternal City has, in fact become the world's capital of food and agriculture. Italy is one of the countries which has been, in particular, among the most magnanimous contributors towards the Replenishment of IFAD's resources and to the funding of a Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification.

We feel certain that, consistent with its commitments, Italy, under your enlightened leadership will, in spite of new prospects which are emerging from the expansion of East-West relations, stand against any reduction in multilateral commitments to the rural poor of the Third World.

Our organization, aware of the critical importance of its mandate, of the resolute determination of all its Member States and prompted by the bright example of personalities like yourself, Excellency, is convinced that it will succeed in achieving real progress in the struggle against rural poverty.

Mr. President, it is with profound respect and interest that we shall listen to your statement at the opening of the Thirteenth Session of IFAD's Governing Council.

## Address by The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic

It was with the greatest pleasure, as always, that I accepted the invitation made to me by Mr. Jazairy, the President of IFAD, to be present at the opening ceremony of the Thirteenth Governing Council: I wished thereby to underline personally the keen appreciation of the Italian Government of the tenacious action taken by the Fund, under the leadership of its President, to contribute to the improvement of the living conditions of the poorest and most needy rural populations of the developing countries.

Certain of interpreting the feelings of the Governing Council, I wish to express the International Community's gratitude to the Fund, as well as the hope that its activity will be crowned with ever greater success in the struggle against the hunger, malnutrition and underdevelopment that still afflict so many parts of the world.

On this occasion I also wish to mention the special mandate of the Fund as an institution operating in the ambit of the United Nations and the decisive role the latter have played in the last forty years in the effort to improve the living conditions of a great part of mankind. This difficult task has been marked by various stages in a laborious historical process.

I also believe that the role of the United Nations in the human, social and economic development of the populations of the so-called Third World has been indispensable and that the Organization, with its special institutions including above all IFAD, is embarking upon the last decade of the century with the prerequisites for operating well and drawing the greatest profit both from past experiences and from the favourable opportunities that may arise in the future.

The interdependence, so often recalled, which exists between the industrialized world and the emerging world cannot be separated from the continually changing conditions of the world around us.

Those events of 1989 that tended towards the gradual relaxation of tension between the two blocs and the consequent slow but promising progress towards increasingly substantial limitations of nuclear and conventional arms are providing ever greater nourishment for the hope that we are moving towards horizons of peace and of a growing conviction as to the inevitability of such interdependence.

The objective of allocating greater funds to combat hunger, famine, disease, environmental degradation and poverty, using resources that were formerly burned up in the useless and unproductive arms race, is slowly moving from the field of Utopia to that of a meditated possibility in a scenario for the near future. The climate of international trust which should and could be created would be to the advantage of international cooperation, which would see greater economic and financial resources made available to it.

Italy is endeavouring in various fora to promote disarmament and the relaxation of international tensions; it is working with commitment and enthusiasm to increase the international possibilities of support for development.

The International Fund for Agricultural Development will certainly be able to play a leading role in a future context such as that which is taking shape and for which we all formulate our best personal New Year wishes; its strategies are in line with those of the Italian Government and of the major countries engaged on the front of international cooperation.

Assistance to small farmers, help for artisanal activities, loans for the purchase of means of production, facilities for irrigation, for the improvement of livestock, for the protection of the environment and for professional training: these are all feasible, attainable objectives which can be pursued and realised in a precise strategy and through a mechanism, such as that of the tripartite structure that characterises the Fund and which has the advantage of utilising criteria of rigorous and efficacious management.

As regards in particular the cooperation between Italy and IFAD, I recall the successful outcome of the negotiations for the Third Replenishment of the Fund, in which our country participated in a constructive spirit.

Italy's total contribution to IFAD has been 34.5 billion lire, which makes it fifth in the list of countries that have contributed most generously to the Fund.

Furthermore, while the complex procedures for providing a new headquarters for IFAD in Rome are nearing their conclusion, last year, to respond to objective requirements of space and functionality, the Italian Government made available to the Fund 750 square metres of new offices for the headquarters in Via del Serafico. This is proof of the continuation of concrete, operative cooperation, which we hope to see grow in the course of time, in the pursuit of our common objectives: the struggle against hunger, disease, poverty and ignorance.

In this renewed challenge, which we have to take up in the 'nineties, Italy will not fail to give IFAD wholehearted and active support.

I wish to conclude by expressing my warmest congratulations to the re-elected President of the Fund, Mr. Jazairy, in recognition of his tireless activity in the pursuit of the important aims the Fund has set itself.

## Statement of Appreciation by the Governor for The Congo on Behalf of the Member Countries of Category III, for the Address Delivered by The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic

On behalf of the Member Countries of Category III, and on my own, I would like to offer H.E. Mr. Giulio Andreotti, President of the Council of Ministers of the Italian Republic, our highest compliments for the important message of encouragement and hope that he has just addressed to this inaugural session of the Thirteenth Governing Council. Such a generous message, delivered at a moment in which mankind is witnessing changes that cannot leave our governments indifferent in view of their impact on the future of the world, is a source of comfort to the countries of Category III. This group of developing countries, as you well know, is eager for the Fund's activities to grow, as evidenced by the exceptional effort it has made to ensure the success of the Third Replenishment of IFAD's resources. They are also sensitive to the leading role played by Italy in strengthening IFAD's work. The Category III countries have seen the efforts that the Italian Government have been deploying for several years now to increase the volume of government development aid as a result of Your Excellency's persevering work. They therefore appreciate everything that the Italian people and Government have done to enhance the role of the international organizations in the United Nations system, to enable them to channel the bulk of their assistance towards assisting the developing countries. Such an attitude, Mr. Prime Minister, is not only an honour to your beautiful country vis-à-vis the Third World, but it also fosters universal peace and, knowing your personal contribution to the stances of your Government on behalf of the disinherited peoples of the world, we must needs express our gratitude to you, and hail your clear-sightedness.

The Category III countries reiterate their faith in the work of IFAD, as a unique instrument of assistance and intervention in the poorest parts of the world, and they are convinced that Italy will spare no effort in her support for this institution. The message which Your Excellency has just delivered to us in this connection is a strong indicator which gives us cause for hope, in view of the successful initiatives being taken by Italy to ensure that the developed countries continue to give adequate assistance to the Third World countries while meeting all the new obligations that are being raised by the evolution of the world. Such initiatives cannot fail to enhance the results of the struggle to combat poverty, a struggle that we cannot win without sustained international solidarity.

Lastly, Category III renews its sentiments of gratitude to Your Excellency for this message which, I am certain, will contribute towards restoring confidence to the victims of hunger and poverty. It is our hope that Italy will continue to use this weapon of generosity towards the Third World in order to better contribute towards the establishment of universal peace. A policy of this kind is commensurate with the greatness of the ambition of Rome, so long the centre of the world, which has managed to become the world food centre, by hosting all the United Nations agencies specialising in food and agriculture. This ambition has become a reality since your country hosted IFAD. It is certainly the expression of the Italian Government's unflagging political will to affirm the primacy of agricultural development in its assistance to the Third World, but also, and above all, it is the consecration of a persevering policy to support humanitarian causes which you, Mr. Prime Minister, have managed to embody as the head of Italian diplomacy. All these are so many reasons for the member States of Category III to propose that the important message of Prime Minister Andreotti be considered a working paper for the thirteenth session of IFAD's Governing Council.

Thank you, Mr. Chairman.

# Statement of Appreciation by the Governor for Qatar on Behalf of the Member Countries of Category II, for the Address by The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic

Thank you Mr. President. Your Excellency, Giulio Andreotti, President of the Council of Ministers of the Italian Government, the President of IFAD, distinguished Governors, distinguished Members of delegations, Ladies and Gentlemen.

On behalf of the State of Qatar which enjoys very cordial relations with your country and which I hope will continue to be strengthened, on behalf of my colleagues in Category II who did me the honour of selecting me as their spokesman and whose countries likewise benefit from having most excellent relations with Italy, allow me, Excellency, to extend to you my sincere thanks for joining us here today and for the valuable inaugural address we have just heard. I am confident that it will serve to further fuel our enthusiasm and determination toward the fulfillment of the goals we have set ourselves.

Excellency, we would like to welcome you, as a renowned statesman of the Italian Republic and as a considerable international figure whose broad cultural bias, accomplishments and excellent leadership have led his country into its present condition of stability and advancement. Through your efforts, Italy's contemporary image has been enriched, thereby earning her the admiration of all nations in this the final decade of the twentieth century. History is, after all, simply the sum total of the efforts of each man.

IFAD developed as a result of the good intentions of its member countries. Italy especially, having provided a seat for the Fund, has not merely furnished the Fund with a home but has also given IFAD its generous support. This is manifest not only by the assistance directly received from Italy to the Fund itself, but also in bilateral assistance programmes between Italy and developing countries, particularly in Africa. This is because of the belief of the Italian Government in international solidarity which it sees as inevitable and unavoidable in a world where distances are narrowing and mutual influences increasing day by day.

I am confident, Excellency, that your personal influence has been both pioneering and pivotal with regard to your country's policy toward the developing world. It has been a policy notable for its wisdom and realism - an enlightened view of humanity with a sense of real international responsibility.

Your presence here is tangible proof of your Excellency's true interest and sincere belief both on a personal and official level in the goals pursued by IFAD, namely the alleviation of rural poverty and the development of the agricultural sector in countries which are very important to each and every one of us.

In conclusion, and on behalf of Category II countries, allow me to reiterate our appreciation of the honour which you have bestowed upon us by your presence, by the words which you have spoken, and your assurances of support. Finally we would like to extend our thanks and appreciation to the Italian people whom we wish still greater prosperity and progress in the future.

Thank you very much.

## Statement of Appreciation by the Governor for France on Behalf of the Member Countries of Category I, for the Address Delivered by The Honourable Giulio Andreotti, President of the Council of Ministers of the Italian Republic

On behalf of the countries of Category I, may I be permitted to welcome the President of the Council of Ministers of the Italian Republic, His Excellency, Mr. Giulio Andreotti, to the solemn inaugural session of IFAD's Thirteenth Governing Council and to second the thanks that have already been expressed by my colleagues on behalf of Categories II and III.

Your visit here, Mr. Prime Minister, has a twofold significance for us: firstly, we all know the attachment which, throughout your long career, you have always demonstrated towards serving the cause of development, and we also know of the personal contribution you have made towards solving the great problems of the Third World. Throughout the decade which has just ended, we particularly appreciated your country's spectacular growth in public development aid. Italy is now one of the major public development aid donors both in absolute terms and as a percentage of gross domestic product, and in this connection you rightly recalled in your address the very substantial part played by the Italian government in the Third Replenishment of IFAD's resources. Furthermore, your presence here today, Mr. Prime Minister, in your twofold capacity as the representative of one of the main donor countries and the head of the Italian Government, demonstrates the great personal interest you have in the development of our institution, to which we, the Members of Category I, who are also among the largest donors to this Institutions, are particularly sensitive.

In this regard, the allocution you have just delivered is a highly positive contribution to our deliberations, and is a valuable input to the debate on the main problems facing the Organization during the present session, which we shall be having after your departure. While thanking you most particularly, Mr. Prime Minister, for having managed to spare these few moments of your time in view of your extremely heavy workload to come here to address us, I should like to endorse the request made by my colleague, Ambassador Tchicaya, to have your allocution as one of the working papers for the Thirteenth session of IFAD's Governing Council.

Thank you, Mr Chairman.

## Welcoming Statement by the President of IFAD, Idriss Jazairy, on the Occasion of the Visit of His Excellency Vice-Admiral Augustus Aikhomu, Chief of General Staff, Federal Republic of Nigeria to Deliver the Message of His Excellency General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria

Excellency,

We are honoured to have you with us as this is the first time that our opening ceremony is being graced by a Distinguished leader from an OPEC nation, a group of countries that has continued to support IFAD in spite of its acute economic difficulties.

We do understand that due to unforseen circumstances, the President of Nigeria, General Ibrahim Badamasi Babangida, was prevented from attending in person this opening ceremony.

Your presence here, Excellency, is significant not only because you represent a country accounting for one-fifth of the entire population of the African Continent, but also because of the notable role Nigeria has played and continues to play in international fora. Nigeria is a keen promoter of freedom and peace on the African Continent, notably with regard to the struggle against apartheid in South Africa.

Your country's efforts in fostering international collaboration are noteworthy. Nigeria played a great role in the establishment of the African Development Bank, in which it has maintained, apart from its normal contribution, the Nigerian Trust Fund, for the support of less endowed countries in the region. Your great country is also one of the founding fathers of our Organization and a prime mover of the non-aligned Nation's A.F.R.I.C.A. Fund for the support of front line states suffering from political and economic destabilisation from the Republic of South Africa.

We have noted with satisfaction, that despite the temporary reversal in Nigeria's economic fortunes, your country has maintained a firm policy of international collaboration. Nigeria's sustained support for IFAD during negotiations of the Third Replenishment of IFAD resources, and its decision to maintain its contribution at the same level as for the last Replenishment, was a source of inspiration for member states. A number of countries in Africa and the Caribbean have benefitted from the Technical Assistance Corps Programme which you recently established to provide technical assistance support to needy African and Caribbean countries. At home, your Government's courageous economic policies and its concern for the Development of Rural Women, have earned the respect of not only your citizens, but also that of the International Community.

IFAD is an organization dedicated to concerns close to your own heart: increased food production and alleviation of rural poverty through support to smallholder producers and rural people, particularly women. I wish to congratulate Your Government for its concern for the less privileged rural poor in Nigeria by launching the Directorate of Food, Roads and Rural Infrastructure, the Better-Life Programme for Women and the People's Bank for Small-Scale Enterprises.

May I request that you, Excellency, convey our gratitude and appreciation to President Babangida for the keen interest he has shown in IFAD and the role it plays in support of the disadvantaged in the developing countries.

## Address by the Nigerian Chief of General Staff, Vice-Admiral Augustus Aikhomu, on Behalf of His Excellency General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria

President of the Governing Council of the International Fund for Agricultural Development,
Members of the Governing Council,
Your Excellencies,
Distinguished Delegates and Observers,
Ladies and Gentlemen,

I bring you warm greetings from my President, General Ibrahim Badamasi Babangida. He wishes you successful deliberations at the Thirteenth Session of the Governing Council of the International Fund for Agricultural Development (IFAD).

It is, indeed, a great honour and privilege for me to address you today on the occasion of the Thirteenth Session of the Governing Council of IFAD. By accepting the kind invitation of the President of IFAD, Mr. Idriss Jazairy, to address this Session, I am expressing not only Nigeria's deep commitment and faith in IFAD as a dependable financial institution for agricultural development, but also indicating our appreciation for the unique and humane role which this organization is playing in the arduous struggle against the scourge of poverty, deprivation, hunger and malnutrition in the Third World. IFAD's concern for the rural poor has been amply translated into its programmes and projects which have consistently been targeted to the needs of the most disadvantaged of the rural areas of the developing world. What has endeared IFAD to the developing world is its recognition that there can be no lasting peace in a World in which poverty and hunger co-exist with opulence.

In its twelve years of existence, IFAD has lived up admirably to its mandate - the mandate to focus its resources to the low income countries, the mandate to assist these countries increase food production and improve nutrition, the mandate to render special assistance to small and marginal farmers, fishermen, herdsmen, artisans, rural women and the rural poor. IFAD is therefore a veritable personification of humanitarianism.

I salute the founding fathers of IFAD for their foresight and wisdom and greet with warm affection the President, members of the Governing Council and Executive Board of IFAD as well as its staff whose dedication and competence is giving succour to the poorest of the under-privileged across our world.

Mr. Chairman,

We live in a world of agonising inequalities, a world shared by opulence and abject poverty, a world where 20% of humanity is degraded and humiliated by the scourge of poverty and hunger, a world threatened not so much, any longer, by the cold war of the ideological divide, thanks to Perestroika, but a world troubled by poverty. In a world where 950 million people have less to eat than the basic requirement for well being and active existence, there can be no social justice and ultimately, there can be no peace. We can only make a claim to social justice in a world where there is adequate food for all.

World population, currently estimated at 5 billion, is projected to rise to 6 billion by the year 2000, ten years from now, and to 10 billion by the middle of the next century, sixty years from now. Population growth worldwide is currently estimated at about 200 000 persons per day. Over 85% of the projected population growth will take place in the developing world, which is already experiencing food supply problems. Obviously the exponential growth in population is bound to put severe stresses on resources. It is therefore imperative that nations take the necessary measures appropriate to their culture and circumstances to regulate population growth to manageable proportions.

In Nigeria we have adopted a population policy urging and encouraging the Nigerian woman not to have more than four children. With a population of over 100 million, Nigeria accounts for one-fifth of Africa's estimated population of 500 million.

Mr. Chairman, we cannot isolate agricultural development from overall economic development which, of necessity, requires larger resources. Although agriculture is not an exact science, the disparity between agricultural development and the developments taking place in the modern sector is disconcerting. It calls for greater commitment of resources, for greater collaboration between nations at bilateral and multilateral levels in a coordinated manner and for rapid generation and transfer of relevant agricultural technology to small-scale farmers, to enable humanity put behind it the age-long problem of hunger. All nations, big or small, developing or industrialized have problems to contend with. There are problems of unemployment, of inflation, recession, political stability, of sustaining economic growth, just to mention but a few. However intractable these crucial human problems might seem, man has landed on the moon, is exploring stars and is achieving unimaginable scientific feats. Surely, the problem of eradicating hunger cannot overwhelm a generation that has accomplished so much! For, how could a dynamic human race, that has journeyed to the moon, developed the computer and nuclear weaponry of unimaginable sophistication, abandon here on earth millions of people to die of malnutrition, hunger or even outright starvation every year?

Mr. Chairman, the decade of the 1980s has drawn to a close. It has been an exceptionally difficult and harsh decade for most developing countries. For the countries of Africa, it has been especially devastating, marked by drought and other natural disasters, the collapse of commodity prices, the rising burden of debt, falling financial flows and a sharp contraction in the pace of development. It was a period marked by harsh and obstinate protectionist policies which effectively denied the poor countries of the South, access to the markets of the affluent North. As we enter the decade of the 1990s, as the millennium draws to a close, let us resolve to replace this debilitating and frustrating economic system with a new order that will facilitate the growth and development of Third World countries for the benefit of humanity. In this regard, Nigeria attaches great importance to the Uruguay Round of the GATT Negotiations in the hope that it will lead to significant improvements in the world trade relations, particularly in agricultural commodities. In the past decade, the prices of agricultural commodities traded in the international market have tumbled to levels below production costs. The steep drop in commodity prices in the early and mid-1980s prompted country after country to borrow heavily from international financial institutions and commercial banks in order to finance essential imports and capital equipment needed for development, only to discover to their dismay that the burden of debt has become the greatest obstacle to growth and development. The debt service ratio has grown and absorbed higher levels of export earnings, rising from 26.1 per cent in 1984 to 43.3% in 1987. The inflow of funds to developing countries from the industrialized countries in 1987 was less than the outflow of funds from developing countries to the developed countries. With respect to World Bank loans, the problem of reverse flow of funds has been accentuated by the commitment liability fee which the bank charges on undrawn balances of loans. Although the rate charged appears quite small, 0.75% per annum, our experience shows that in the initial years of the life of the project, the commitment charge which also covers that part of the loan which is not due for draw-down and which consequently cannot be drawn-down by the borrower, even if he wanted to, could be very high.

Mr. Chairman, the effects of the economic problems on the poor are perhaps the most alarming of the experiences of the 1980s. The number of the poor, without enough to eat, is larger today than a decade ago. In Africa the rates of infant and child mortality which had been on the decline in the 1960s and 1970s have been rising. Poor rural farmers often do not have enough calories for the day's work. This, indeed, has been a decade in which the rural poor of developing countries and especially the rural poor in Africa have suffered immensely.

Ironically, it is the resilience and endurance of the poor smallholder farmers of Africa which have bolstered national survival in the past times of crisis. In many African countries, smallholder producers account for 40% or more of the Gross Domestic Product, produce as much as 60% of export earnings and up to 90% food crops. In the Priority Progamme for African Economic Recovery and Development adopted in 1985, Africa's leaders gave full recognition to the vital role of small-scale farmers in overcoming the crisis facing the continent. Because their demand for consumption and production is not dependent on external funds, small-scale farmers are central to growth and development. With relatively small inputs of technology and support services, their productivity can be increased, with minimum strain on scarce national resources.

In Nigeria, before the decade of the 1960s, our small-scale farmers were able to achieve a sufficient rate of agricultural production to provide adequate food for an increasing population, raw materials for budding industry, foreign exchange for government and employment opportunities for an expanding labour force. It is in recognition of the potential of the small-scale farmers in meeting incremental food demand that my Government has accorded priority to the development of the rural sector. The Integrated Agricultural Development Programmes being implemented throughout the country with loan assistance from the World Bank focuses on small farmers. We have in recent times, expanded these projects from their original enclave design to nation-wide coverage. In fact, they now constitute the bulwark of my Government strategy for agricultural development. We are striving harder to nurture our small-scale farmers, men and women, towards our food self-sufficiency goal, despite the severe resource constraints facing us. More recently, my Government created the Directorate of Food, Roads and Rural Infrastructures to hasten the pace of rural development and to improve the quality of life in the rural areas. I am glad to observe that our reliance on small-scale farmers for incremental food production is paying off handsome dividends. In 1988, we achieved a growth rate in food production of 4.5%, compared to previous levels that were below the population growth rate of 3.3%. We could be on the true path to full recovery, if the present momentum is sustained.

Mr. President, the women farmers of Africa have been the heart and soul of our food production and they deserve special recognition. Unfortunately, the needs of these women have not received equitable consideration in the allocation of resources and in technological development. It is now imperative that nations accord women's development greater priority. What development, what progress could we really claim, if half of the population were to be by-passed, due to gender consideration.

Our Government supports the Food and Agriculture Organization of the United Nations' Plan of Action for Integration of Women in Development and is committed to making resources available for its implementation in Nigeria. As a follow-up to the Nairobi Strategy for the Integration of Women-in-Development, my Government recently hosted an International Seminar for the Africa Region of Women-In-Development. It is hoped that the new vista charted by the seminar will aid African countries in their women's development activities.

In Nigeria we have taken firm policy measures to integrate women into the various facets of national development. As a deliberate policy, we have appointed women into key decision-making positions in Government. The Better Life for Rural Women Programme, which is the brain child of the First Lady is making significant contributions to the lives of rural women through creative employment, agricultural enterprises and education. The Women Resources Centre being established at Abuja, our nascent National Capital, is to serve as a repository of knowledge on women. The Home Economics Divisions of Federal and State Ministries of Agriculture are oriented to focus, not only on such traditional spheres as Home Management, Nutrition and Child Care but also on income-generating skills, on food processing, relevant technology, etc. Through the Women-In-Agriculture Programme, women will have access to credit, agricultural information, inputs and support services as their male counterparts.

Mr. President, I am here today to express our Government's recognition and that of Africa to one of the International Financial Institutions which has served as an advocate and supporter of the rural heroes of Africa, the small-scale farmers of the continent.

We in the developing world must take consolation in a dynamic organization like IFAD which is committed to the provision of technical and financial support to projects and programmes designed to alleviate hunger and poverty. The spirit of IFAD, the spirit of a humane caring world, must not atrophy. In IFAD, we have a noble cause, a cause which should not be abandoned.

I must commend IFAD especially for the sum of over one billion dollars which it has committed to Africa's smallholder sector since 1978, about 80% of which was on highly concessional terms. But it is not just the size of this capital outlay that inspires our appreciation. It is the quality of IFAD's Projects, the painstaking efforts of the Fund to target the rural poor, including women food producers, to understand their circumstances and find the most appropriate ways to augment food production that deserves our consideration. IFAD was, perhaps, the first to respond to Africa's economic crisis. The Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, launched in 1986, succeeded in mobilising about US 300 million for new initiatives to help small-scale farmers get back on their feet. IFAD's Special Programme developed innovative ways to help the poor in drought-stricken sub-Saharan countries to raise food production, while enhancing their environment. Through targeted investment, the Fund has been able to address, both substantively and substantially, some of the pressing issues often overlooked in the macro-economic focus of today's world, which mainly responds to calamity through measures of welfare relief. The need now, as I see it, is to consolidate, reinforce and extend these efforts. For that purpose, I would like to propose that we support the President of IFAD in an effort to mobilise additional resources to continue with the Special Programme for Africa. And I would call on the Category I countries, that is the industrialized countries, that have been responsive to the needs of Africa, to show again the same generosity as they did in contributing to the Special Programme itself. Although the contributions made were quite substantial, much more is required to check desertification, minimise the effects of drought and avert starvation in the region. The Sahel Zone is particularly prone to food poverty. Up to 30% of households suffer chronically from food poverty during the lean months and as much as 80% during disaster periods, such as drought.

One way to enhance IFAD's impact further is to extend the resources mobilised under the Special Programme. I understand that the resources have now been fully allocated. Yet sub-Saharan Africa's problems are far from over.

Also valuable have been IFAD's efforts to broaden and re-orient the approach to structural adjustment which has emerged as the major policy question in Africa where about 26 countries have adopted the structural adjustment programme.

Mr. President, this speech will not be complete without addressing the environmental problems of our time. The environment is humanity's common heritage. Environmental issues evoke universal concern. Global warming is of concern to the people of Holland; so it is to the people of the Peninsular and Island States of Cape Verde, the Caribbean, Sao Tome and Principe, the low-lying Republic of Bangladesh, the Coastal States of Nigeria and to other peoples whose lands stand the risk of being submerged or inundated in the event of substantial rise in sea level as a result of global warming. Dumping of toxic waste on developing countries, is intolerable to the people of Nigeria, so it is to the preponderance of nations. Pollution of lakes, rivers, seas and the soil is hazardous to life; so is the acid rain resulting from air pollution. Other environmental problems of our time which require serious attention include desertification and drought, soil erosion, over-grazing and deforestation.

Nigeria, which lies on the southern fringes of the Sahara desert, has spent large sums of money from its internal resources and from loans from the World Bank and the European Economic Community to fight desert encroachment. Although much progress has been made, a lot still needs to be done to bring the problem under control. I appeal strongly to the International Community to aid sub-Saharan Africa to tackle effectively the problem of desertification and drought.

The present mode of distribution and use of hazardous pesticides in developing countries leaves much to be desired. Urgent international action is required to implement the Prior Informed Consent Clause of the Code of Conduct for Distribution and Use of Pesticides which FAO is spear-heading. In Nigeria we have recently established the National Environmental Protection Agency and are in the process of completing the necessary legislative action that will give legal backing to the work of the Agency.

Returns on environmental investments take a long time to come. And if poor farmers are to undertake the necessary investments, we must find ways of subsidising them and giving them special incentives, which will certainly cost money. Furthermore, environmental investments have strong externalities - their benefits do not always go to the people who make them, but often to other people in some other regions or countries. Moreover, local authorities and individual developing countries with debt and other acute problems cannot carry out such investments and expenditure. Yet the preservation of the ecological balance of the planet already jeopardised by pollution in the North may be put further at risk if these investments are not made.

I believe that an Environmental Fund with resources on specially favourable or even grant terms to supplement national efforts in project funding is desirable at this time of severe resource constraints. It will go a way to help developing nations to integrate environmental considerations into development projects and to take conservative measures for the protection of the environment. We can no longer afford to concentrate on growth and look after poverty and the environmental degradation later, as the growth will not be sustainable.

I also believe that IFAD, which has already made many important break-throughs in integrating the environmental dimension in poverty alleviation projects, should be a natural conduit for channelling such resources. Establishing such a facility will enable IFAD to make available its growing expertise in breaking the poverty-environmental cycle to more and more developing countries. I should add that developing countries will take more seriously the concerns being expressed so often on the environment, if the international community demonstrates the willingness to back up advice with the necessary resources.

In conclusion, Mr. President, I wish to state that IFAD is an institution based on voluntary contributions of Member Countries. All groups have, no doubt, played their part in building up the Fund. The unique structure of the Fund embodies, simultaneously, the essence of North-South as well as South-South cooperation and solidarity. The industrialized countries need to demonstrate expanded support for the Fund. The Non-Aligned and other developing countries, for their part, have more than lived up to their responsibilities. They have given a concrete demonstration of their commitment to the Fund. At their recent meeting in Belgrade, the Heads of State or Governments declared that they, and I quote:

> "... welcomed the conclusions on the Third Replenishment of IFAD and invited all donors to work to ensure that the amount of this replenishment is achieved at the maximum possible level. They also stressed the role of IFAD as a very important source for the development of agriculture in developing countries as well as its equitable system of decision-making." They, therefore, "... invited Non-aligned and other developing countries to give priority to IFAD in their contribution."

It is up to all of us to provide IFAD with the necessary resources to apply fully the potential it has already shown for alleviating hunger and poverty. On our own part, Nigeria will continue to give its support to IFAD. In spite of our current severe resource constraints, we have decided to maintain our contribution to the Third Replenishment, i.e., US$ 10 million. It is also on record that we made an initial contribution of US$ 26 million to IFAD. IFAD, indeed, represents the finest example of what we can achieve when international multilateral assistance is channelled towards achieving noble goals. We call on all friends to support this organization financially and morally, to help put behind us, forever, the spectre of poverty, hunger and malnutrition and to achieve a healthier environmental balance.

I thank you.

## Statement of Appreciation by the Governor for Norway on Behalf of the Member Countries of Category I, for the Address by His Excellency Vice-Admiral Augustus Aikhomu, Chief of General Staff, Federal Republic of Nigeria, on behalf of His Excellency General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria

Mr. Chairman,

Allow me on behalf of the Member States of Category I to take the floor to express our appreciation for the message to the Governing Council of His Excellency, General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria to the opening of this Session of the Governing Council of IFAD.

Nigeria has always been in the forefront in the family of UN organizations in promoting initiatives, formulating policies and providing support for our common effort in favour of economic growth and social development. This engagement is also fully reflected in the message that we have received today.

It is natural for me to take note of and to compliment the Nigerian authorities for the special attention they rightly pay to women's role in development - an objective which has become increasingly important in IFAD as well as all other international organizations today. We request you, Mr. Vice-Admiral, to convey the expression of our respect to His Excellency, the President of the Federal Republic of Nigeria together with our thanks for the valuable contribution he has made to the deliberation of this Governing Council and to our understanding of the broad subject matter which is at the heart of the endeavours of our organization.

Thank you, Mr. Chairman.

## Statement of Appreciation by the Governor for Venezuela on Behalf of the Member Countries of Category II, for the Address by His Excellency Vice-Admiral Augustus Aikhomu, Chief of General Staff, Federal Republic of Nigeria, on behalf of His Excellency General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria

Thank you very much Mr. Chairman, Honourable Members, Mr. President, Your Excellency, Vice-Admiral Augustus Aikhomu, representing the President of Nigeria.

It is with great pleasure that I take the floor on behalf of Category II Member States in order to express our thanks to you for the very interesting address you gave us in favour of the truly under-developed countries of the world. Your perfect understanding of the true idea of development which begins with encouraging the small farmers who are responsible for food production and therefore the survival of our peoples is sound. The rural farmers are at the heart of true development and at the heart of the production of commodities and they should not be hampered by protectionism when they aspire to reach markets.

We also applaud the expression of trust and confidence that you demonstrated in the New International Economic Order which may well contribute to overcoming the injustices that developing countries now face. At the same time we also note and applaud your words of encouragement for the integrated rural development programmes that the Federal Republic of Nigeria is implementing with a view to promoting a strategy aimed at improving and strengthening South-South relations.

Complementing this integrated rural development we also note the application of the Nairobi Strategy in the rural women's integration programme which we feel is the best way of expressing confidence in those who truly contribute to the development of a country; women are always a large percentage of the population and make the greatest efforts. We would also like to express our gratitude to the Government of Nigeria for the preferential treatment given to women because, as the speaker said, women in Nigeria constitute a very important source of labour.

Another matter that we applaud is the protection of the environment. Here again we emphasise support for the code of conduct for all countries that produce insecticides and pesticides that must respect the prior informed consent principle when exporting these toxic products abroad since they could be fatal to human lives through the pollution of soil and water. And, subsequently, of course, they contaminate and pollute the plants that are grown to be eaten. Nigeria has already taken steps in this area in order to protect agriculture and its natural resources.

Finally, Sir, we are happy to see the support and respect expressed for the maintenance of all IFAD's structures as they have so far functioned because it is a unique institution in the way it gives aid to the poorest nations and peoples of the world. We must link this feature of IFAD with another idea - environmental protection - which we cannot overlook and which was present throughout our guest of honour's speech. It is of great importance to countries like ours, like Nigeria, like Venezuela - those that are in the tropical areas of the planet to have their plant genetic resources protected because we represent the last hope of the people on earth to protect food production by protecting our germplasm. It is only by protecting this treasure house which represents the heritage of our peoples and the future heritage of the children, that we shall be able to feed the world. The "Third World War" will not be fought with weapons of war, but will be fought in this area, this fight to possess the elements which will secure the future of the world, that is, our plant and animal genetic resources. Nigeria is advanced in this respect and so is IFAD because it is protecting the patrimony of the poor countries of the world. That is why we congratulate the Government and peoples of Nigeria for all their efforts to defend small farmers, for the help that they extend to women and the protection of rural development which is the true hope of the planet. Otherwise we will have only hunger, poverty and misery to look forward to.

On behalf of Category II, Sir, we would like to thank and congratulate you for all the work that you are doing for Nigeria because it is of benefit to all the peoples of the world as well.

Thank you, Sir.

## Statement of Appreciation by the Governor for Brazil on Behalf of the Member Countries of Category III, for the Address by His Excellency Vice-Admiral Augustus Aikhomu, Chief of General Staff, Federal Republic of Nigeria, on behalf of His Excellency General Ibrahim Badamasi Babangida, President of the Federal Republic of Nigeria

Mr. Chairman,

We have listened with great interest to the speech delivered by His Excellency, Vice-Admiral Augustus Aikhomu, on behalf of the President of the Federal Republic of Nigeria. As representative of Category III and as Chairman of the Group of 77 in Rome, I was given the honour of saluting His Excellency and thanking him for awarding us the privilege of his presence in this Session.

As a Brazilian, this task gives me great joy as Brazil is Africa's neighbour across the ocean and together with so many of our Latin American and Canadian brothers, we share with our African brothers one inestimable racial and cultural heritage. Nigeria speaks with the voice of Africa. It is a voice charged with anguish and suffering, the anguish and suffering of the African people - yet full of hope and faith in the future. A future which unfortunately the peoples of the Third World have grown accustomed to seeing in ever bleaker colours. Bleak colours indeed which stand in sharp contrast to the bright colours and pervasive optimism of the developed world. Regrettably, in the decade that has just lapsed very little was done to reduce the contrasts and in fact during the eighties, the gap between developed countries and the Third World increased considerably both in absolute and in relative terms. This was the inevitable outcome of the measures chosen to deal with the major imbalance of the world economy, the stability and prosperity in the North was sustained by capital and low price exports from the South. A hostile economic environment defeated the significant and costly efforts undertaken by the developing countries to adjust their external accounts and to create the conditions of sustained growth. Policy coordination among the main industrialized countries has taken no account whatsoever of the finance and trade requirements of the developing countries burdened by high interest rates, exchange rate instability, depressed commodity markets and lack of access to markets for their products. Against this background we are encouraged by the work carried out by IFAD for the alleviation of rural poverty and in particular for attending to the poorest among the poor to fulfil its vow of working for a world without hunger. In this context IFAD has concentrated its attention and efforts on the plight of the African people through its Special Programme for Africa. The history of IFAD shows what can be achieved by the joint efforts of the international community to improve the lot of the rural populations which are most in need of our support. We hope that the beginning of this new decade will bring a meaningful gesture on the part of the rich countries for the sake of IFAD and our commitment to the rural poor.

May I once again thank His Excellency Augustus Aikhomu for addressing this meeting and may I ask that due to the importance of the statement we have just heard, it should be included in the official records of our Governing Council Session. And may I ask His Excellency to convey to the President of Nigeria our best wishes for his personal happiness and for the well being of the people of Nigeria.

Thank you, Sir.

## Statement by the President of IFAD, Idriss Jazairy

Mr. Chairman,
Excellencies,
Honourable Governors,
Distinguished Delegates and Observers,
Ladies and Gentlemen,

I am pleased to welcome you to the Thirteenth Session of IFAD's Governing Council.

It was indeed a great privilege for us to receive His Excellency Mr. Giulio Andreotti, President of the Council of Ministers of Italy. His speech was an expression of the inspiration and understanding we have come to expect from President Andreotti's long and close association with our Fund.

We were also deeply moved by the remarkable statement delivered by H.E. Vice-Admiral Augustus Aikhomu, Chief of General Staff of the Federal Republic of Nigeria, in the name of President Babandiga President of Nigeria, who was prevented by State obligations from being present with us today.

I welcome the application of Malaysia and Myanmar to become members of IFAD. I hope their membership will be approved during your deliberations.

I would also like to take this opportunity to welcome, as an Observer, the represientive of Bulgaria.

I see these as a positive response to my appeal to the Governing Council last year for a greater universality in IFAD's membership. I hope this process will continue.

As we enter a new decade, I look to this Council for guidance on how to make yet a greater impact on world hunger through support to national rural poverty alleviation strategies. This requires the mobilization of resources from within and from without. New ideas must be generated to make the best use of these resources. The creative talent of the poor themselves in particular has to be better unleashed.

Against the backdrop of the rapid geo-political changes that we are witnessing, I shall first review IFAD's lending operations in 1989 and the proposed Programme of Work and Budget for 1990.

I shall then suggest how IFAD's increased specificity can be an effective means of addressing poverty alleviation in the 1990s.

Finally, I shall discuss two critical issues of the 1990s which IFAD is exceptionally well positioned to address: the deteriorating situation of the rural poor in Sub-Saharan Africa and the downward spiral in which rural poverty and environmental degradation are caught.

## Critical Transition: From the 1980s to the 1990s

The decade of the 1980s has been exceptionally trying for many developing countries and, in particular, for their most vulnerable groups. It began with interest rates at historic highs and commodity prices at historic lows. This not unnaturally was followed by a series of economic and debt crises, calling for painful structural adjustment measures.

Environmental and natural catastrophes, which are still reverberating around the poor areas of the world, further compounded these difficulties.

Hopefully, the 1990s will bring less harshness to poor rural households. This will depend on our common resolve and not on some decree of fate.

A refreshing focus on poverty alleviation is already crystalizing within the international development community. But this new concern, to gain credibility, must further extend from forum to field.

International development approaches must also come to terms with the changing geo-political climate I have referred to. These changes do raise some concern about the share of global financial resources that developing countries will be able to expect in the near future.

While these political changes may adversely affect resource allocations for the development of the South, they could open up new possibilities of increased aid flows.

Present political world trends will hopefully lead to reduced defense outlay by the industrialized countries as well as by the developing countries themselves. The new millennium will indeed hold promise of a better world if these trends are accompanied by a recognition of the priority of "the right to food" over other claims for the reallocation of resources heretofore diverted for military build-up.

Let us give food availability in poorer lands and therefore peace, a chance.

## Some Highlights of IFAD's Operations in 1989

In 1989, IFAD has continued its endeavour to add substance to the inalienable right of the rural poor to food and a decent life. It has been able to consolidate the increasing trend in the level of lending already evident in 1987 and in 1988 while providing greater specificity in its operations. A total of 23 investment projects and 32 technical assistance grants were approved during the last year, amounting to the equivalent of US$ 273 million. This represents a 12 percent increase over the preceding year.

Of the 23 projects approved by the Executive Board, 21 were IFAD-initiated. This reflects the Fund's growing capacity to develop innovative projects on its own. Cofinancing of IFAD-initiated projects has increased four-fold, from US$ 47 million in 1988 to US$ 187 million in 1989. This is a further indication of the confidence that IFAD projects enjoy among other bilateral and multilateral donors. To meet rising expectations, the Fund is giving added attention to ascertaining that specificity, as defined at the design stage, is faithfully reflected in project implementation.

## The 1990 Programme of Work and Budget

The 1990 Programme of Work and Budget has been formulated keeping in view the stress laid by the Fund on achieving greater specificity in operations through initiating an increasing share of its projects.

With the same objective in mind provisions have been included in the budget to strengthen the participation of IFAD's expertise in appraisal and supervision while continuing to save on administrative expenses. This compression of costs was achieved, I must stress, in spite of the fact that amounts charged for project appraisal and supervision by cooperating institutions have been sharply increased as from this year.

Consequently, the combined total of the budget for 1990 of about US$ 38.71 million and of the approved expenditure for the Special Programme of US$ 3.9 million is, in real terms, still below the one you approved for 1989. In spite of this, we will seek to increase the commitments on loans and grants to US$ 340 million which represent a 25% increase over the level achieved last year.

In furtherance of our objective of achieving greater specificity, we are studying how IFAD can play a more active role in project appraisals and supervision without additional cost to the institution. I intend to submit a report on these issues to the Executive Board and to the next Governing Council.

The budget submitted to you will lay the foundation for meeting the challenges of the 1990s in the context of IFAD's unique mandate. Let me say a few words on what I believe IFAD must do to further enhance the specificity resulting from its mandate.

## Targeting

First is the issue of targeting of benefits derived from IFAD's projects. An understanding of who are the rural poor and how they can be helped is the starting point of IFAD's project design process.

We should be intent on defining our target group ever more clearly by giving priority attention whenever possible to the absolute poor, elusive though the concept may be. As an international financial institution, we must, however, ascertain that our loans are used to finance cost-effective projects.

Increasingly, we should reach out to specific disadvantaged population groups, such as the tribals, the Amerindians of Latin America, nomadic pastoralists and, in a development context, displaced persons.

To this end, we should lay emphasis on five key approaches:

First, to continue to aim at promoting innovative participatory modalities for those vulnerable groups.

Second, to seek more actively to reconcile environmental preservation with poverty alleviation.

Third, where landlessness and the fragility of the resource-base require it, we should promote off-farm employment through micro-enterprise development.

Fourth, we should give added attention to credit delivery systems as a valuable tool to reach the poor.

And fifth, we should continue to develop effective approaches to give rural women their rightful place in the core of our projects.

Let me say a few words on these five approaches.

First, Participation

It is increasingly obvious from our field operations that people's participation must be a fundamental instrumentality of the Fund's specificity.

True participation means grassroots mobilization of people. Here NGOs can play an important role.

Participation can be fostered on three different levels:

In the first place, at the farm level, centered, for example, around small-scale irrigation schemes like the Philippines Communal Irrigation Development Project.

In the second place, at the village level, as it has been achieved in Mali using the traditional "ton villageois" for the Village Development Fund Project.

And in the third place, on a broader community level, as in the case with watershed development in the IFAD Irrigation and Agricultural Development Project in Haiti.

Whatever its level, the participation of individuals should be promoted through a sound incentive framework. It is easier to establish such a framework if the benefits of the proposed participatory activities are tangible for them in the short-term.

### Second, Reconciling Environmental Preservation and Poverty Alleviation

A community-based participatory approach should also be the preferred way to deal with the nexus between environmental deterioration and rural impoverishment.

The success of community-based conservation often depends on finding ways to reconcile the short-term survival imperatives of individuals with longer term conservation objectives.

This means that IFAD should strive to further define the environmental externalities of rural development and incorporate them more effectively in project analysis. IFAD's role, of course, is to help the rural poor protect themselves from the adverse impact of environmental degradation. But I would suggest it must go further than this simple containment approach. We should also look to environmental enhancement itself as a tool for actually contributing to poverty alleviation.

This is not only a question of improvement of project design. Nor is it a contentious issue with our beneficiaries. It is essentially an issue of funding.

### Third, Micro-enterprise

One source of environmental degradation is pressure on the land from increasing populations. Both to relieve that pressure and to improve rural incomes, we have to create alternative employment and income-generating opportunities.

The potential for giving women a prominent role in these micro-enterprise activities gives them added relevance.

Key factors to success will remain the upgrading of entreprenurial skills and better exploitation of forward and backward linkages of these enterprises with agriculture and with the market.

The dynamic, pluralistic nature of the rural economy makes the promotion of rural non-farm and off-farm activities a promising area for more focussed IFAD action.

### Fourth, Credit with Group Guarantors

The search for participatory modes of development leads to greater reliance on group credit, be these in support of agricultural or rural off-farm micro enterprises, or for investment in resource conservation.

The definition of appropriate technology alternatives, of eligibility criteria for credit and of loan ceilings, can provide an effective means of more specific targetting.

In the coming decade, three elements deserve particular attention.

First is the linkage between informal credit groupings and the formal banking institutions if access by rural women and the landless to credit is to be ensured.

Second, is the necessity to help credit institutions ensure an adequate rate of recovery and to be prepared to take quick corrective action if such recovery falls below a minimum acceptable level. Otherwise, efforts at promoting credit institutions for the poor will be self-defeating.

The same will be true if a third aspect, which is savings mobilization, is not given full recognition.

All IFAD projects should emphasize these three elements more vigorously in the 1990s.

Last, but not least, comes the approach related to the role of women.

## Fifth, the Role of Rural Women

Targetted credit is the gate to new opportunities for those who have remained so far outside the banking system, in particular for women, but more needs to be done in this regard.

The positive bias towards women already evident in IFAD's approach can be further reinforced. The Fund should continue its efforts to bring women into the mainstream of credit and savings activities. A pre-determined share of loan funds can be set aside for women. Specially designed technologies can be developed for them. Reporting systems highlighting gender analysis have to be further supported.

More women must be involved in project design and implementation, particularly from among local talents. On the legal side, Assurances in Loan Agreements could evoke Article 14 of the United Nations Convention on the Prevention of Discrimination Against Women to ensure their equitable treatment in all aspects of development in those countries who ratified it. Finally, concerns of poor rural women must be addressed within the larger context of the socio-economic environment and of the community as a whole.

## Streamlining IFAD's Operations

We should ascertain that IFAD's organizational structure and management in the 1990s fully measures up to the challenge of pursuing simultaneously these five approaches in the broader context of our overall mandate.

Thanks to a generous grant from the Government of Canada, we will for this purpose carry out in 1990 a study of the Fund's organization, including a review of workloads and the most efficient use of staff.

## Outcome of the Third Replenishment

However, IFAD can only achieve in the future as much as financial resource availability will permit. The result of the Third Replenishment is a level of about US$ 570 million. This amount exceeded the US$ 476 million in core resources pledged for the Second Replenishment. Yet it is substantially below the US$ 750 million which was mobilized during that period if we include IFAD's Special Programme for Sub-Saharan Africa.

## Resumption of the High-level Intergovernmental Committee

On the question of future financing of IFAD's operations, the High-level Intergovernmental Committee held an informal meeting yesterday. The Committee will now meet in formal sessions in the near future and will discuss outstanding issues and new ideas to ensure greater predictability in funding as well as ways to enhance the Fund's self-supportiveness. I am of the opinion that these aims must be pursued in a manner which preserves the Fund's unique framework combining equitable representation with North-South and South-South cooperation.

## Challenges of the 1990s

Many problems afflicting the rural poor will continue to challenge the Fund's capabilities in the new decade. These include the displacement of populations within and across borders, growing landlessness and environmental deterioration, declining incomes and food security.

There are two areas of need that are especially pertinent.

## Reversing the Decline in Sub-Saharan Africa

One is the continuing decline of incomes and per capita food output of sub-Saharan Africa in spite of the remarkable efforts made of late by the governments of the region.

In the face of this continuing crisis, the resources available under the Special Programme will taper off as they will be fully committed this year. This is at a time when elements of IFAD's specificity, introduced under the Programme, ought to be consolidated and could be broadly replicated.

I, therefore, personally believe that the Special Programme should be extended into a second phase. This would provide further longer-term rehabilitation assistance to the region. It would do so at a time when problems become more acute in the face of demographic pressure, rising debt burden, civil strife and of the deterioration of its resource base. In this new phase, the Programme would give increased attention to micro-enterprise development as a way to deal with rising unemployment and to release pressure on fragile lands.

## The Link Between Poverty and Environment

This brings me to the second area of concern, the linkage between rural poverty and environmental degradation.

The borrowers of the Fund's resources are indeed fully aware of the need to address the environmental problems threatening the livelihoods of the rural poor. Yet, a trade-off between development as assessed through the use of conventional cost benefit ratios and some investments relating to environmental preservation may exist.

Further, most recipient countries are already heavily indebted. They may simply be unable to afford to borrow funds at current terms for some items of investments relating only to the preservation of the natural resource base, or whose benefits are realized after a relatively long time lag. This may be particularly true in the context of structural adjustment programmes restricting government expenditures.

The Fund will continue its effort to incorporate poverty-related environmental issues in the rationale of its projects. But we must find ways to provide additional grant or concessional funding to finance selected environmental components which cannot readily be reconciled with conventional cost-benefit analysis.

## Sustaining the Breakthrough

With the dedication and invaluable support of IFAD staff, the Fund's management, under the guidance of its Governing Bodies, will pursue in the 1990s its challenging task in a spirit of close cooperation with the other international financial institutions and with its sister agencies in Rome. In this spirit, could not the Heads of the U.N. food agencies all speak with one voice at the same forum to commemorate in unison the World Food Day, under the auspices of FAO? In the same vein, and as another symbol of this harmony that I so highly prize, could we not establish a tradition whereby each Head of each of these Rome-based agency is given an opportunity to address the supreme governing body of the other agencies on their opening day?

Finally, I take this opportunity to express our deep appreciation to the Italian Government for the facilities and valuable assistance it has been providing to the Fund as host country. However, the longstanding problem of our permanent headquarters has still not been resolved, and the Council may therefore wish to review again this very pressing issue.

I wish you well in your deliberations.

## Message Delivered by Mr. Gerald I. Trant
## Executive Director of the World Food Council,
## on Behalf of the Secretary-General of the United Nations,
## His Excellency Javier Pérez de Cuéllar
## and the Bureau of the World Food Council

Mr. Chairman,
Mr. President,
Members of the Governing Council, Ladies and Gentlemen,

On the occasion of the Thirteenth Session of IFAD's Governing Council, I am honoured to bring the greetings of the Secretary-General of the United Nations and those of the President and Bureau of the World Food Council.

Since you last met, significant progress has been made in the cause of peace. We are encouraged by recent achievements towards peace and disarmament, and are optimistic that long-held hopes for diverting savings from military expenditures to development may finally become a reality.

Peace is a prerequisite for sound development, which should have the well-being of all people as its central objective. While these developments are favourable, lasting peace cannot be achieved while poverty, hunger and malnutrition continue to destroy the lives of millions of people.

As we embark upon a new decade, leading to a new millenium full of challenges and hopes, let us take the opportunity to reflect on the record of our efforts to create a better world.

We remain deeply concerned about certain aspects of the current social and economic situation of the world. While many of the problems such as poverty and hunger have been with us for a long time, these problems have become more complex and the international environment within which solutions must be found has also profoundly changed. It is imperative, Mr. Chairman, that we adopt new and more effective approaches for their solution. We should like to pay special tribute to IFAD, and its distinguished President, Mr. Idriss Jazairy, for its contribution in promoting international development cooperation in food and agriculture as well as in our common endeavour to combat poverty, hunger and malnutrition.

The world is now feeding more people than ever before. Despite this, the number of malnourished is growing and will continue to do so unless nations take more effective action for the poor and hungry people.

While different forms of hunger have specific causes requiring appropriate responses, they are generally rooted in poverty and failure to share food and wealth adequately within and between countries. To ensure that hunger and poverty are reduced as a result of economic activity, their elimination must be made a central objective of national policies. Supporting policy changes emphasizing social and cultural policies, economic reforms, employment, judicious population policies and comprehensive food strategies is essential.

In this context, IFAD has introduced new ideas and developed pragmatic new approaches to the world food problems by launching innovative rural development programmes for the specific benefit of the rural poor, employment generation in rural off-farm activities, targeted intervention and development assistance to integrate women into the development process. IFAD has enhanced people's participation in their own development process and helped set free the creative energies of millions of people so that they can shape a better future for themselves and their community. We should like to congratulate IFAD on the important role it is playing in our efforts to wipe out hunger and poverty from the face of the earth. IFAD has been both effective and efficient in meeting its mandate and responsibility.

The General Assembly of the United Nations is expected to convene a special session this year devoted to seeking such new approaches and adopting a new framework for international economic cooperation, particularly for the revitalization of economic growth and development of developing countries. At the same time, efforts are underway for the preparation of a new International Development Strategy for the 1990s. It is gratifying to note that food and agriculture, as well as the eradication of poverty and hunger, have been identified as priority areas for the elaboration of a new strategy. In both of these areas, IFAD, and the other food organizations, have an important contribution to make.

We are pleased that agreement has been reached on the Third Replenishment of IFAD's Resources, which symbolizes a general acceptance of the great importance of international cooperation in a vital area.

We sincerely hope that the world community, particularly the developed countries, will continue to expand their support to IFAD, and we firmly believe that multilateralism is and will continue to be an effective mechanism for combatting the common enemies of poverty and hunger.

## Statement by Mr. Salahuddin Ahmed, the Deputy Executive Director of the World Food Programme

Mr. Chairman,
Honourable Ministers,
President of IFAD,
Distinguished Delegates,
Ladies and Gentlemen,

The Executive Director of the World Food Programme (WFP), Mr. James Ingram, is away on duty travel in Africa, but for which he would have been here himself. I bring to you his compliments and best wishes for a successful meeting.

Mr. Chairman, I came here to listen, and not to speak. But with your indulgence, I would like to make a few points in recognition of the very close relationship that exists beween IFAD and WFP, institutionally and at the personal level. I feel singularly honoured and at ease by the fraternal welcome from the President of IFAD.

It is always an enlightening experience to attend the session of IFAD's Governing Council; for the operational philosophy of the Fund is akin to the spirit of humanity, closest to the struggles and aspirations of those usually by-passed by the ordinary process of development - the poor of the world; more specifically, the rural poor.

As a sister-agency, WFP feels proud of the achievements of IFAD under the leadership of President Jazairy. It is not for me to elaborate on this since Governors are more intimately aware of the success with which IFAD is giving a concrete shape to its guiding principles. I only present it in the light of our common experience, derived through collaborative efforts; and more so because we share a common objective: to fight poverty and hunger.

This complementarity, this synergy, can be exceedingly rewarding and productive for the poorest households in developing countries if put to its optimum potential. This relates directly to the four elements emerging as the basic objectives of the International Development Strategy for the 90s, namely: accelerated economic growth; human resource development; substantial reduction in hunger and deprivation; and protection of natural resources. These elements are not seen as disparate, but as corporate parts of a strategy for equitable and sustainable growth. One way of putting it is to say that this strategy is people-centred. This is precisely the aim of our two organizations. Thus, there is a tremendous scope for cooperation.

We are presently working together in 13 development projects in 12 countries. The combined WFP investment in these projects is approximately US$ 200 million. Let me just cite some examples:

In India, WFP has been assisting settlement schemes along the Indira Gandhi Canal for close to two decades. The programme currently provides food aid to some 30 000 settler families. An IFAD loan of US$ 55 million has financed such activities as land and soil surveys, road construction and afforestation. Together we are trying to promote sustainable development in this area.

In The Gambia, WFP and IFAD are collaborating in a water control project. Food rations are distributed as compensation to farmers who have temporarily abandoned their production activities in view of rehabilitation works being undertaken on the plots. IFAD is financing agricultural equipment, tools and materials. Our combined efforts are going to place at the disposal of the farming community better resources for higher production.

In Bolivia, an integrated rural development project which is supported by IFAD is closely linked with a WFP-assisted project to provide school meals to 23 000 primary school children.

Mr. Chairman, I could make the list longer but I hope these illustrative cases give a good overview of the many ways we collaborate.

Governors may be aware that within the UN system there exists a close association of operational organizations, called the JCGP (Joint Consultative Group on Policy). Its membership includes the UNDP, UNFPA, UNICEF, IFAD and WFP. Its purpose is to explore and ensure, in practical terms, greater coordination and cohesiveness in our assistance programmes, in consonance with national development strategies and under the overall coordinating umbrella of the governments themselves. WFP chaired the group last year. IFAD takes the chair for 1990. We in the group have every hope and confidence that IFAD's experience will help strengthen our collective approach to issues of development.

Mr. Chairman, the poor that inhabit the earth, men and women, run into hundreds of millions. They want to stand up and be counted. What we in IFAD and WFP, and others in the UN system, are trying to achieve is to help them help themselves toward a more meaningful and dignified existence.

Be it for IFAD or for WFP, our strength is derived from the support provided by governments for the mandate they have given us. The forums may be different, but the ultimate objective has a sharp common focus. Our commitment and confidence, I can assure you, is bolstered by the creative response of the poor themselves that we try to help, on your behalf.

Mr. Chairman, I close on a note of continued collaboration between our two organizations.

Thank you.

# Statement by the Chairman
# His Excellency Abdul Majid Al-Gaud,
# Closing the Thirteenth Session of the Governing Council

Brother Idriss Jazairy, President of IFAD,
Honourable Governors,
Distinguished Delegates,
Ladies and Gentlemen,

We now reach the conclusion of the Thirteenth Session of the Governing Council of the International Fund for Agricultural Development. Our session was honoured by the attendance of two eminent guests: Mr. Giulio Andreotti, President of the Council of Ministers of the Italian Republic, the host country of our Organization, who represented the industrialized countries which consistently support IFAD, and Vice-Admiral Augustus Aikhomu, Chief of General Staff of the Federal Republic of Nigeria, a Category II Member Country that had a prominent role in the establishment of IFAD.

In the review covered by the general statements which we have all heard, the honourable Governors and Alternate Governors expressed the far-reaching hopes that IFAD represents for all peoples, confirming their full commitment to its mission and to the principles it seeks to serve. Noteworthy in this respect was the statement by Brother Idriss Jazairy on IFAD's plans to meet the challenges of the 1990s. We were happy to have been kept informed of his endeavours to develop the necessary means to enable IFAD to surmount these challenges, which include the deterioration of the situation in sub-Saharan Africa, alleviating poverty without damaging the environment, and enabling small farmers, the rural poor and the landless to raise their incomes through rationalisation of IFAD's operations.

Allow me then, within this context, to review briefly a number of the conclusions of your honourable Council.

The Council welcomed the Federation of Malaysia and the Union of Myanmar as the two newest Members of the Fund. It also noted with satisfaction the attendance, for the first time, of the People's Republic of Bulgaria at this session, as Observer, and hoped that the participation of both the newest members and Bulgaria would further emphasise the universal nature of the Fund.

The Council also approved IFAD's Budget for 1990 which amounts to US$ 38 700 000, as well as the allocation to the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification amounting to US$ 3 900 000. It welcomed IFAD's determination to ensure that its operations reflect certain specificity concerns and its concentration on specificity in projects initiated by the Fund. The Council commended the efforts deployed to improve IFAD's administrative efficiency through the proposed study of its organization and structure, and the honourable Governors and Alternate Governors praised the President's undertaking to reduce IFAD's administrative expenditures without prejudice to the performance of its staff.

The Council further approved the new composition of IFAD's Executive Board. I would note in this respect that the new members of the Board will no doubt contribute to the efficiency of the Fund's operation, and that the proposed Evaluation Committee will, for its part, provide useful support to its work.

The Council took note also of the Report of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure, dealing with the question of financing IFAD's future operations, and of the draft resolution appended to the report, which had been approved during the informal meeting of the said Committee convened by President Jazairy. This approved resolution invites the High-level Intergovernmental Committee to resume its work, and requests that the Committee hold its first official session before 30 June 1990 and to report back on its work, through the Executive Board, to the Fourteenth Session of the Governing Council.

A number of Governors stressed, in particular, the importance of resuming the work of the High-level Intergovernmental Committee, and it is my belief that the atmosphere of constructive cooperation that prevailed in the unofficial meetings of the Committee augurs well for its future work and for the establishment of a new and solid basis for the financial future of IFAD.

While reviewing the new orientations of IFAD for the last decade of this century, your Council requested that the President of the Fund continue IFAD's present policy of encouraging collective participation methods, namely through the development of non-farm rural employment opportunities contributing to food production, focusing on the plight of rural women by allocating to them a generous line of credit and developing technologies designed especially for them so that we may contribute to what the President has termed "a positive bias towards women". The Council also noted with pleasure the pioneering role of IFAD in resolving the problems of the rural poor, such as their migration to urban areas and the deterioration of per caput income and food security.

With regard to the Third Replenishment of IFAD's Resources, the Council noted the level attained of US$ 570 000 000, which exceeds the level of basic resources committed to the Second Replenishment for the amount of US$ 476 000 000. The Council also appealed to the Member States which have not yet announced their contributions, have not settled them orhave not deposited their Instruments of Contribution, to do so as soon as possible. The Council expressed its satisfaction over the spirit that prevailed during the discussions on the Third Replenishment between the three Categories which led to this good result. The speakers applauded the additional contributions by a number of countries, who thereby expressed their particular commitment to IFAD's objectives, in spite of their own constrained economic and financial circumstances.

The Council approved a proposal to amend Article 2 of its Rules of Procedure, changing the dates of the future ordinary sessions of the Governing Council from the month of December to that of January of every year; the object being to avoid any possible clash between the meetings held by other organizations and the annual session of the Council.

The Council expressed its particular approval of the invitation addressed by IFAD's President to the Heads of Rome-based international organizations engaged in the field of food and agriculture for further coordination of their work to enhance the effectiveness of each.

Your honourable Council was also highly appreciative of Italy's support of IFAD, in its capacity as the host country, and took note of the Governor for Italy's statement that his country is exerting every possible effort to resolve the question of providing a permanent headquarters to the Fund.

Special appreciation was expressed by Governors for the distinctive efforts made by Brother Idriss Jazairy, President of the International Fund for Agricultural Development, and by his collaborators in achieving the maximum progress possible for the eradication of hunger in the world through: assisting the developing countries to eliminate all aspects of poverty, seeking tirelessly to mobilize every possible resource, concentrating global attention on raising the living standards of the rural poor, reaching the populations of marginal areas and those affected by adverse economic and social conditions and finally by attending to the needs of that half of human society which suffers from discrimination and persecution of one kind or another, that is to say, women, and especially rural women.

We are also aware that the considerable achievements realized lately and the good performance of the Fund which has been the object of global praise and approval are due to the generous contributions of the Member Countries, especially the wealthier ones, and to the unremitting efforts of President Idriss Jazairy since his inauguration in 1984.

The Council considered the Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989. The Member States expressed their appreciation of the achievements of the Special Programme towards mobilization of additional resources of US$ 290 million and for its expeditious commitment of these resources for 23 projects in 19 countries.

While recognizing the significant achievements of the Special Programme, a majority of the members of the Council emphasized the fact that conditions prevailing in sub-Saharan African countries continue to merit particular attention. Despite the many initiatives of the donor community, and agencies including IFAD, the fundamental structural problems which have historically affected these countries remain unchanged. It is necessary to continue the innovations created by IFAD in designing and implementing projects and programmes that address these problems which are essentially long-term in nature. In view of this, the Governing Council adopted a resolution asking the President to consult donors about the possibility of additional voluntary contributions to the Special Resources for Sub-Saharan Africa for a further three years without prejudicing deliberations in the mobilization of the funding for IFAD's regular resources. It was agreed that the President would report back to the Council at its Fourteenth Session through the Executive Board on the results of these consultations.

Another important issue discussed in detail by your honourable Council was that of environmental sustainability. In particular the close linkage between preserving the environment, on the one hand, and alleviating poverty and reducing the levels of malnutrition among the rural poor through increasing food production, on the other. In this respect, the conference noted with satisfaction that IFAD designs its programmes with a view to developing new scientific methods to alleviate poverty in rural areas, where farmers have become victims of a deteriorating environment.

The discussion of this issue was, in fact, very constructive - revealing the extent of your Council's concern over this important issue. The speakers expressed their countries' conviction that the close relationship between the conservation of the environment and the alleviation of rural poverty necessarily falls within the framework of IFAD's projects.

I was therefore gratified to note the unanimous decision of the Council concerning environmental conservation and the alleviation of rural poverty, since this is one of the most significant issues dealt with by the Fund in its operations. I should state, however, that the Governor from Colombia expressed reservations on this issue.

I would now like to take this occasion to express to all of you my profound gratitude and appreciation for the expression of confidence which you placed in me by electing me to chair this session of your honoured Council. I believe that this constitutes a recognition of my country's role in helping to secure the flow of development aid to combat hunger and poverty and which favours the cause of Third World development. This, in turn, should have a positive influence on the North-South dialogue, thereby contributing to the cause of world peace.

On this note, allow me to announce the end of the meeting of the Thirteenth Session of the Governing Council of the International Fund for Agricultural Development, hoping that we shall all meet again at the Fourteenth Session of the Council in January 1991.

Thank you.

INTERNATIONAL
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DEVELOPMENT

**IFAD**

GC 13/INF.3/Rev.3

ARABIC/ENGLISH
FRENCH/SPANISH

Governing Council
Thirteenth Session
Rome, 23-26 January 1990

# قائمة بالمشتركين فى الدورة الثالثة عشرة لمجلس المحافظين

# LIST OF PARTICIPANTS TO THE THIRTEENTH SESSSION OF THE GOVERNING COUNCIL

# LISTE DES PARTICIPANTS A LA TREZIEME SESSION DU CONSEIL DES GOUVERNEURS

# LISTA DE PARTICIPANTES EN EL DECIMOTERCER PERIODO DE SESIONES DEL CONSEJO DE GOBERNADORES

## الدول الاعضاء

## MEMBER STATES

## ETATS MEMBRES

## ESTADOS MIEMBROS

### AFGHANISTAN

| | |
|---|---|
| Governor (acting) | Shamsher NAZIANI<br>First Secretary<br>Chargé d'affaires, a.i.<br>Embassy of the Democratic Republic of Afghanistan<br>Rome |
| Advisor | Abdul GHAFAR<br>Second Secretary<br>Embassy of the Democratic Republic of Afghanistan<br>Rome |

### ALGERIA

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| Gouverneur (provisoire) | Abdelkader BENDAOUD<br>Ministre de l'agriculture<br>Alger |
| Gouverneur suppléant (provisoire) | Mohammed ROUIGHI<br>Ambassadeur de la République algérienne démocratique et populaire en Italie<br>Rome |
| Conseiller | Sid Ahmed CHENTOUF<br>Directeur<br>Ministère de l'agriculture<br>Alger |
| Conseiller | Amina BOUDJELTI<br>Conseiller<br>Ambassade de la République algérienne démocratique et populaire<br>Rome |
| Conseiller | Rachid BENAISSA<br>Directeur<br>Ministère de l'agriculture<br>Alger |

**ANGOLA**

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| Gouverneur | Fernando Faustino MUTEKA<br>Ministre de l'agriculture<br>Luanda |
| Gouverneur suppléant | Mawete Joao BAPTISTA<br>Ambassadeur de la République populaire d'Angola en Italie<br>Rome |
| Conseiller | Marcelo BEIA<br>Directeur du change international<br>Ministère de l'agriculture<br>Luanda |
| Conseiller | Pedro Agostinho KANGA<br>Conseiller<br>Ambassade de la République populaire d'Angola<br>Rome |

**ANTIGUA AND BARBUDA**

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| Governor (acting) | James A.E. THOMAS<br>Ambassador<br>Permanent Representative of Antigua and Barbuda to the United Nations Office at Geneva<br>London |

**ARGENTINA**

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| Gobernador Suplente | Mónica DEREGIBUS<br>Primer Secretario<br>Embajada de la República Argentina<br>Roma |

**AUSTRALIA**

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| Alternate Governor (acting) | L. Ross BROWNHALL<br>Counsellor (Development Assistance)<br>Australian Embassy<br>Rome |

**AUSTRIA**

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| Alternate Governor | Walter HAGG<br>Minister<br>Embassy of the Republic of Austria<br>Rome |
| Adviser | Herbert LUST<br>Director<br>Department for International Finance Institutions<br>Federal Ministry of Finance<br>Vienna |
| Adviser | Ernst ZIMMERL<br>Permanent Representative of the Republic of Austria to FAO<br>Rome |

**BANGLADESH**

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| Governor (acting) | Waliur RAHMAN<br>Ambassador of the People's Republic of Bangladesh to Italy<br>Rome |
| Alternate Governor (acting) | A.K.M. Fazley RABBI<br>Counsellor (Economic and Commercial)<br>Embassy of the People's Republic of Bangladesh<br>Rome |

**BELGIUM**

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| Gouverneur | André GEENS<br>Ministre de la coopération au développement<br>Bruxelles |
| Gouverneur suppléant | Antoine SAINTRAINT<br>Ambassadeur du Royaume de Belgique auprès de la FAO<br>Administrateur général AGCD<br>Rome |
| Conseiller | Daniel GHEKIERE<br>Conseiller auprès du Ministre de la coopération au développement<br>Bruxelles |

**BELGIUM** (cont'd)

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| Conseiller | Roland VAN DE VELDE<br>Membre de Cabinet<br>Ministère de la coopération au développement<br>Bruxelles |
| Conseiller | François ROUX<br>Attaché<br>Représentant permanent adjoint du Royaume de Belgique auprès de la FAO<br>Rome |

**BHUTAN**

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| Governor | Dasho Nado RINCHHEN<br>Ambassador<br>Permanent Representative of the Kingdom of Bhutan to the United Nations Office<br>Geneva |

**BOLIVIA**

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| Gobernador (interino) | Ruddy VISCARRA PANDO<br>Ministro Consejero<br>Embajada de la República de Bolivia<br>Roma |
| Gobernador Suplente (interino) | Mireya DURAN ROSALES<br>Primer Secretario<br>Embajada de la República de Bolivia<br>Roma |

**BOTSWANA**

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| Governor | Geoffrey Mogegerepe OTENG<br>Assistant Minister for Agriculture<br>Gaborone |
| Alternate Governor (acting) | Keineetse Koofitlhe MMOPI<br>Principal Agricultural Officer<br>Ministry of Agriculture<br>Gaborone |

**BOTSWANA** (cont'd)

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| Adviser | Gubungano Pie CHILUME<br>Senior Agricultural Officer<br>Ministry of Agriculture<br>Gaborone |

**BRAZIL**

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| Governor (acting) | Joao Augusto DE MEDICIS<br>Ambassador of the Federative Republic of Brazil to the United Nations Agencies for Food and Agriculture<br>Rome |
| Adviser | Paulo ESTIVALLET DE MESQUITA<br>Alternate Permanent Representative of the Federative Republic of Brazil to the United Nations Agencies for Food and Agriculture<br>Rome |

**BURKINA FASO**

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| Gouverneur | Bruno Nongoma ZIDOUEMBA<br>Ambassadeur du Burkina Faso en Italie<br>Rome |
| Gouverneur suppléant | Fulgence TOE<br>Conseiller<br>Représentant permanent adjoint du Burkina Faso auprès du FIDA et de la FAO<br>Rome |

**BURUNDI**

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| Gouverneur (provisoire) | Desiré NSHIMIRIMANA<br>Dirécteur de Cabinet<br>Ministère de l'agriculture et de l'élevage<br>Bujumbura |

**CAMEROON**

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| Gouverneur | Mohamadou LABARANG<br>Secrétaire général<br>Ministère de l'agriculture<br>Yaoundé |
| Gouverneur suppléant | Michael Kima TABONG<br>Ambassadeur de la République du Cameroun en Italie<br>Rome |
| Conseiller | Thomas YANGA<br>Deuxième Conseiller<br>Représentant permanent suppléant de la République du Cameroun auprès du FIDA et de la FAO<br>Rome |

**CANADA**

| | |
|---|---|
| Governor | Noble E.C. POWER<br>Vice-President<br>Multilateral Programmes Branch<br>Canadian International Development Agency (CIDA)<br>Hull, Quebec |
| Adviser | Simone ROBIN<br>Counsellor (Agriculture)<br>Alternate Permanent Representative of Canada to the United Nations Food and Agriculture Agencies<br>Rome |
| Adviser | William BAIN<br>Senior Programme Manager<br>International Financial Institutions Division<br>Canadian International Development Agency (CIDA)<br>Hull, Quebec |

**CAPE VERDE**

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|---|---|
| Gouverneur suppléant (provisoire) | Maria de Lourdes MARTINS DUARTE<br>Attaché agricole<br>Représentant permanent suppléant de la République du Cap-Vert auprès de la FAO<br>Rome |

**CENTRAL AFRICAN REPUBLIC**

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| Gouverneur suppléant (provisoire) | Gabriel M'BANGAS<br>Ambassadeur de la République centrafricaine en Italie<br>Rome |

**CHAD**

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| Gouverneur suppléant | Cherif ABDELWAHAB<br>Directeur général<br>Ministère de l'agriculture<br>N'Djaména |
| Conseiller | Achta BECHIR<br>Chef du service entomologique<br>Laboratoire de recherche zootechnique et vétérinaire<br>Ministère de l'élevage, des ressources animales et de l'hydraulique pastoral<br>N'Djaména |

**CHILE**

| | |
|---|---|
| Gobernador | Carlos FERREIRA CANNOBIO<br>Ministro Plenipotenciario<br>Embajada de la República de Chile<br>Roma |
| Gobernador Suplente | Antonio GARRIDO ACUÑA<br>Primer Secretario<br>Embajada de la República de Chile<br>Roma |

**CHINA**

| | |
|---|---|
| Governor (acting) | CHEN Yaobang<br>Vice-Minister for Agriculture<br>Beijing |
| Alternate Governor | LI Zhenhuan<br>Minister Plenipotentiary<br>Permanent Representative of the People's Republic of China to FAO<br>Rome |

**CHINA** (cont'd)

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| Adviser | JU Kuilin<br>Deputy Division Director<br>Department of External Finance<br>Ministry of Finance<br>Beijing |
| Adviser | ZHU Zhengxuan<br>Deputy Division Director<br>Department of International Cooperation<br>Ministry of Agriculture<br>Beijing |
| Adviser | GONG Jianchun<br>Third Secretary<br>Alternate Permanent Representative of the People's Republic of China to FAO<br>Rome |

**COLOMBIA**

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|---|---|
| Gobernador | Gonzalo BULA HOYOS<br>Embajador de la República de Colombia ante la FAO<br>Roma |
| Gobernador Suplente | Olga CLEMENCIA FERNANDEZ<br>Primer Secretario<br>Representante Permanente Alterno de la República de Colombia ante la FAO<br>Roma |
| Asesor | Mery Cecilia HURTADO SALAMANCA<br>Tercer Secretario<br>Representante Permanente Alterno de la República de Colombia ante la FAO<br>Roma |
| Asesor | Pedro Orlando NAVARRO<br>Asistante especial del Embajador<br>Roma |

**CONGO**

| | |
|---|---|
| Gouverneur (provisoire) | Joseph TCHICAYA<br>Ambassadeur de la République populaire du Congo en Italie<br>Rome |
| Conseiller | Michel MOMBOULI<br>Conseiller<br>Représentant permanent adjoint de la République populaire du Congo auprès du FIDA et de la FAO<br>Rome |
| Conseiller | Alice NIOMBELA-MAMBULA<br>Premier secrétaire<br>Ambassade de la République populaire du Congo<br>Rome |

**COSTA RICA**

| | |
|---|---|
| Gobernador | Carlos DI MOTTOLA BALESTRA<br>Embajador de la República de Costa Rica ante la FAO<br>Roma |
| Asesor | Francisco MORA FALLAS<br>Consejero<br>Representación Permanente de la República de Costa Rica ante la FAO<br>Roma |

**COTE D'IVOIRE**

| | |
|---|---|
| Gouverneur suppléant | Daniel KONAN YOMAN<br>Conseiller<br>Ambassade de la République de Côte d'Ivoire<br>Rome |
| Conseiller | Amena Cathérine KOUASSI<br>Premier secrétaire<br>Ambassade de la République de Côte d'Ivoire<br>Rome |

**CUBA**

| | |
|---|---|
| Gobernador (interino) | Raúl TALADRID SUAREZ<br>Vicepresidente<br>Comité Estatal de Colaboración Económica<br>La Habana |
| Gobernador Suplente | Juan NUIRY SANCHEZ<br>Embajador de la República de Cuba ante la FAO<br>Roma |
| Asesor | Ana María NAVARRO ARRUE<br>Representante Permanente Adjunto de la República de Cuba ante la FAO<br>Roma |

**CYPRUS**

| | |
|---|---|
| Governor | Fotis G. POULIDES<br>Ambassador of the Republic of Cyprus to the United Nations Agencies for Food and Agriculture<br>Rome |
| Adviser | Chrysanthos LOIZIDIS<br>Agricultural Attaché<br>Alternate Permanent Representative of the Republic of Cyprus to the United Nations Agencies for Food and Agriculture<br>Rome |

**DENMARK**

| | |
|---|---|
| Alternate Governor | Birte POULSEN<br>Head of Division<br>Ministry of Foreign Affairs<br>Copenhagen |
| Adviser | John PONTOPPIDAN<br>Head of Section<br>Ministry of Foreign Affairs<br>Copenhagen |
| Adviser | John GLISTRUP<br>Minister Counsellor<br>Permanent Representative of the Kingdom of Denmark to FAO<br>Rome |

## DJIBOUTI

| | |
|---|---|
| Gouverneur<br>(provisoire) | Ahmed Omar FARAH<br>Ambassadeur de la République de Djibouti<br>Paris |
| Gouverneur suppléant<br>(provisoire) | Djama Mahamoud DOUALEH<br>Chef du Bureau de Programmation<br>Cabinet du Ministre de l'agriculture<br>Djibouti |

## DOMINICAN REPUBLIC

| | |
|---|---|
| Gobernador Suplente | Jeannette Alexandra GUZMAN LULO<br>Primer Secretario<br>Embajada de la República Dominicana<br>Roma |

## ECUADOR

| | |
|---|---|
| Gobernador Suplente | Roque CAÑADAS PORTILLA<br>Embajador de la República del Ecuador ante el Gobierno Italiano<br>Roma |

## EGYPT

| | |
|---|---|
| Governor<br>(acting) | Hoda EL MARASSI<br>Ambassador of the Arab Republic of Egypt to Italy<br>Rome |
| Alternate Governor | Youssef Ali Mahmoud HAMDI<br>Agricultural Counsellor<br>Alternate Permanent Representative of the Arab Republic of Egypt to the United Nations Agencies<br>Rome |
| Adviser | Mahmoud Ahmed Samir SAMY<br>Third Secretary<br>Embassy of the Arab Republic of Egypt<br>Rome |

**EL SALVADOR**

| | |
|---|---|
| Gobernador | Guillermo PAZ LARIN<br>Embajador de la República<br>de El Salvador en Italia<br>Roma |
| Gobernador Suplente | María Eulalia JIMENEZ DE MOCHI ONORI<br>Consejero<br>Embajada de la República<br>de El Salvador<br>Roma |

**EQUATORIAL GUINEA**

| | |
|---|---|
| Gobernador (interino) | Juan NDONG BAYE<br>Secretario General<br>Ministerio de Agricultura,<br>Ganadería, Pesca y Forestal<br>Malabo |
| Asesor | José BIKORO EKO<br>Director General<br>Ministerio de Agricultura,<br>Ganadería, Pesca y Forestal<br>Malabo |

**ETHIOPIA**

| | |
|---|---|
| Governor (acting) | Assefa YILALA<br>Counsellor (Agricultural Affairs)<br>Alternate Permanent Representative<br>of the People's Democratic Republic<br>of Ethiopia to IFAD and FAO<br>Rome |

**FIJI**

| | |
|---|---|
| Alternate Governor | John TEAIWA<br>Permanent Secretary<br>Ministry of Primary Industries<br>Suva |
| Adviser | Nemani BURESOVA<br>Deputy Secretary<br>Ministry of Primary Industries<br>Suva |

**FINLAND**

| | |
|---|---|
| Governor (acting) | Anna-Liisa KORHONEN<br>Deputy Director-General<br>Ministry for Foreign Affairs<br>Helsinki |
| Alternate Governor (acting) | Hannu HALINEN<br>Minister Counsellor<br>Embassy of the Republic of Finland<br>Rome |
| Adviser | Katriina KORTTEINEN<br>First Secretary<br>Ministry for Foreign Affairs<br>Helsinki |

**FRANCE**

| | |
|---|---|
| Gouverneur (provisoire) | Pierre ACHARD<br>Ministre plénipotentiaire<br>Conseiller financier auprès de l'Ambassade de France<br>Rome |
| Gouverneur suppléant (provisoire) | Jacques WARIN<br>Ambassadeur de la République française auprès de l'OAA<br>Rome |
| Conseiller | Pierre PISSALOUX<br>Chef du Bureau de l'aide au développement<br>Direction du Trésor<br>Ministère de l'économie, des finances et du budget<br>Paris |
| Conseiller | Nathalie DEGUEN<br>Adjointe au Chef du Bureau de l'aide au développement<br>Direction du Trésor<br>Ministère de l'économie, des finances et du budget<br>Paris |
| Conseiller | Pascal BRIODIN<br>Chargé de mission<br>Bureau des affaires multilatérales<br>Ministère de l'agriculture<br>Paris |

**FRANCE** (cont'd)

| | |
|---|---|
| Conseiller | Jean-Jacques BEAUSSOU<br>Direction des affaires économiques et financières<br>Ministère des affaires étrangères<br>Paris |
| Conseiller | Jean-Pierre POLY<br>Attaché scientifique<br>Représentation permanente de la France auprès de l'OAA<br>Rome |
| Conseiller | Danick IBAÑEZ-RINALDI<br>Attaché<br>Ambassade de France<br>Rome |

**GABON**

| | |
|---|---|
| Gouverneur | Daniel AFOME-NZE<br>Secrétaire d'Etat auprès du Ministre de l'agriculture, de l'élevage et de l'économie rurale<br>Libreville |
| Gouverneur suppléant | Jules Marius OGOUEBANDJA<br>Ambassadeur de la République gabonaise en Italie<br>Rome |
| Conseiller | Charles MBOUROU<br>Conseiller principal du comité d'agriculture<br>Ministère de l'agriculture, de l'élevage et de l'économie rurale<br>Libreville |

**GAMBIA, THE**

| | |
|---|---|
| Governor | Omar JALLOW<br>Minister for Agriculture<br>Banjul |
| Adviser | Amadou S.O. TAAL<br>Permanent Secretary<br>Ministry of Agriculture<br>Banjul |

## **GAMBIA, THE** (cont'd)

| | |
|---|---|
| Adviser | Baboucarr O. SAHO<br>First Secretary<br>Embassy of the Republic of The Gambia<br>Brussels |

## **GERMANY, F.R.**

| | |
|---|---|
| Governor (acting) | Fritz FISCHER<br>Deputy Director-General<br>Federal Ministry for Economic Cooperation<br>Bonn |
| Alternate Governor (acting) | Wilhelm SUDEN<br>Deputy Head of Division<br>Federal Ministry for Economic Cooperation<br>Bonn |
| Adviser | Peter P. WRANY<br>Deputy Head of Division<br>Federal Ministry of Finance<br>Bonn |
| Adviser | Karin HOCHHAUS<br>Secretary<br>Embassy of the Federal Republic of Germany<br>Rome |

## **GHANA**

| | |
|---|---|
| Governor (acting) | George Odartey LAMPTEY<br>Ambassador of the Republic of Ghana to Italy<br>Rome |
| Alternate Governor (acting) | Joseph R. TURKSON<br>Minister Counsellor<br>Alternate Permanent Representative of the Republic of Ghana to IFAD and FAO<br>Rome |

**GREECE**

| | |
|---|---|
| Governor | John A. YENNIMATAS<br>Ambassador of Greece to FAO<br>Rome |
| Alternate Governor | Christos A. IACOVOU<br>First Secretary<br>Deputy Permanent Representative of Greece to FAO<br>Rome |

**GUATEMALA**

| | |
|---|---|
| Gobernador | Carlos DE LEON PRERA<br>Ministro de Agricultura, Ganadería y Alimentación<br>Ciudad de Guatemala |
| Gobernador Suplente | Oscar PADILLA VIDAURRE<br>Embajador de la República de Guatemala ante el Gobierno Italiano<br>Roma |

**GUINEA**

| | |
|---|---|
| Gouverneur suppléant (provisoire) | Ibrahima KABA<br>Conseiller<br>Ambassade de la République de Guinée<br>Rome |

**GUINEA-BISSAU**

| | |
|---|---|
| Governeur suppléant | Jorge Alberto SANTOS OLIVEIRA<br>Directeur général<br>Ministère du développement rural et de l'agriculture<br>Bissau |

**HAITI**

| | |
|---|---|
| Gouverneur suppléant | Waner CADET<br>Chargé d'affaires, a.i.<br>Ambassade de la République d'Haïti<br>Rome |

**HAITI** (cont'd)

| | |
|---|---|
| Conseiller | Gessie Merlet DONATO<br>Conseiller<br>Ambassade de la République d'Haïti<br>Rome |

**INDIA**

| | |
|---|---|
| Alternate Governor | Akbar Mirza KHALEELI<br>Ambassador of the Republic of India to Italy<br>Rome |
| Adviser | V.S. OBEROI<br>Deputy Secretary<br>Department of Economic Affairs<br>Ministry of Finance<br>New Delhi |
| Adviser | Ashith BHATTACHARJEE<br>First Secretary (Agriculture)<br>Embassy of the Republic of India<br>Rome |

**INDONESIA**

| | |
|---|---|
| Governor | Soegito SASTROMIDJOJO<br>Secretary-General<br>Ministry of Finance<br>Jakarta |
| Alternate Governor | Rachadi ISKANDAR<br>Ambassador of the Republic of Indonesia to Italy<br>Rome |
| Adviser | Sugianto BROTOSUSANTO<br>Agricultural Attaché<br>Embassy of the Republic of Indonesia<br>Rome |
| Adviser | Deddy SUDARMAN<br>Chief<br>Economic Division<br>Embassy of the Republic of Indonesia<br>Rome |

**IRAN, ISLAMIC REPUBLIC OF**

| | |
|---|---|
| Governor | Seyed Mojtaba ARASTOU<br>Director-General<br>International Specialized Agencies Department<br>Ministry of Foreign Affairs<br>Teheran |
| Adviser | Hamid SHAHIAN JAHROMI<br>Director of the FAO Office<br>Ministry of Agriculture<br>Teheran |
| Adviser | Alireza AFRAZ<br>Deputy of the Center for Agricultural Economics and Rural Research<br>Ministry of Agriculture<br>Teheran |

**IRAQ**

| | |
|---|---|
| Governor (acting) | Mahmoud Ahmed UTHMAN<br>Expert,<br>International Financial Relations<br>Ministry of Finance<br>Baghdad |
| Adviser | Dhia Habib AL-KHAYOUN<br>Director-General<br>Agricultural Cooperative Bank<br>Baghdad |

**IRELAND**

| | |
|---|---|
| Governor | Christopher Peter FOGARTY<br>Ambassador of Ireland to Italy<br>Rome |
| Alternate Governor | John GAULE<br>First Secretary (Agriculture)<br>Embassy of Ireland<br>Rome |

**ISRAEL**

| | |
|---|---|
| Governor | Ilan HARTUV<br>Minister Counsellor<br>(Economic Affairs)<br>Embassy of the State of Israel<br>Rome |

**ITALY**

| | |
|---|---|
| Gouverneur | Mario FERRARI AGGRADI<br>Sénateur de la République italienne<br>Rome |
| Gouverneur suppléant | Gian Luigi VALENZA<br>Ambassadeur de la République italienne auprès du FIDA et de la FAO<br>Rome |
| Conseiller | Alberto DE CATERINA<br>Ministre Conseiller<br>Représentant permanent adjoint de la République italienne auprès du FIDA et de la FAO<br>Rome |
| Conseiller | Giuseppe MARESCA<br>Chef du Bureau XVI<br>Direction générale du Trésor<br>Ministère du Trésor<br>Rome |
| Conseiller | Ludovica SODERINI<br>Conseiller<br>Ministère du Trésor<br>Rome |
| Conseiller | Paola PETTINARI<br>Conseiller<br>Ministère du Trésor<br>Rome |
| Conseiller | P. DE CHIARA<br>Conseiller<br>Ministère du Trésor<br>Rome |

**JAPAN**

| | |
|---|---|
| Governor | Reishi TESHIMA<br>Ambassador of Japan to Italy<br>Rome |
| Alternate Governor (acting) | Noritake KAI<br>Minister<br>Embassy of Japan<br>Rome |
| Adviser | Masayuki TAKASHIMA<br>First Secretary<br>Embassy of Japan<br>Rome |
| Adviser | Kunio TSUBOTA<br>Deputy Director<br>International Cooperation Division<br>Ministry of Agriculture, Forestry and Fisheries<br>Tokyo |
| Adviser | Hiroshi KAWAMURA<br>Assistant Director<br>Multilateral Cooperation Division<br>Ministry of Foreign Affairs<br>Tokyo |

**JORDAN**

| | |
|---|---|
| Governor (acting) | Sami SUNNA<br>Secretary-General<br>Ministry of Agriculture<br>Amman |

**KENYA**

| | |
|---|---|
| Governor (acting) | Gitahi NGARURO<br>Assistant Minister for Agriculture<br>Ministry of Agriculture<br>Nairobi |
| Alternate Governor (acting) | Daniel David C. Don NANJIRA<br>Ambassador of the Republic of Kenya to Italy<br>Rome |

**KENYA** (cont'd)

| | |
|---|---|
| Adviser | Albert Martin MUTAI<br>Director<br>Livestock Production<br>Ministry of Livestock Development<br>Nairobi |
| Adviser | James Joshua OKWIRRY<br>Deputy Director<br>Ministry of Agriculture<br>Nairobi |
| Adviser | Stanley Mukindia GUANTAI<br>Counsellor (Agricultural Affairs)<br>Embassy of the Republic of Kenya<br>Rome |
| Adviser | Noel KITUTO<br>First Secretary<br>Embassy of the Republic of Kenya<br>Rome |
| Adviser | Ruth Grace Sereti SOLITEI<br>Second Secretary<br>Embassy of the Republic of Kenya<br>Rome |

**KOREA, D.P.R.**

| | |
|---|---|
| Alternate Governor | CHONG YUN HYONG<br>Counsellor<br>Deputy Permanent Representative of the Democratic People's Republic of Korea to IFAD and FAO<br>Rome |

**KOREA, REPUBLIC OF**

| | |
|---|---|
| Governor | Suk-Kyu KIM<br>Ambassador of the Republic of Korea to Italy<br>Rome |
| Alternate Governor | Kwang-Shik WON<br>Agricultural Attaché<br>Embassy of the Republic of Korea<br>Rome |

**KOREA, REPUBLIC OF** (cont'd)

| | |
|---|---|
| Adviser | Sang-Moo LEE<br>Director<br>Agricultural Credit Division<br>Ministry of Agriculture, Forestry and Fisheries<br>Seoul |
| Adviser | Bong-Hwan CHO<br>Assistant Agricultural Attaché<br>Embassy of the Republic of Korea<br>Rome |

**KUWAIT**

| | |
|---|---|
| Alternate Governor | Bader AL-HUMAIDHI<br>Director-General<br>Kuwait Fund for Arab Economic Development<br>Kuwait |
| Adviser | Abdul-Karim SADIK<br>Economic Adviser<br>Kuwait Fund for Arab Economic Development<br>Kuwait |
| Adviser | Hisham AL-WOQAYAN<br>Director of Operations<br>Kuwait Fund for Arab Economic Development<br>Kuwait |
| Adviser | Fatimah HAYYAT<br>Cultural Attaché<br>Embassy of the State of Kuwait<br>Rome |

**LEBANON**

| | |
|---|---|
| Gouverneur suppléant (provisoire) | Farid ABBOUD<br>Conseiller<br>Ambassade de la République libanaise<br>Rome |

**LESOTHO**

| | |
|---|---|
| Governor (acting) | A.M. HLALELE<br>Minister of State for Youth and Women's Affairs<br>Maseru |
| Alternate Governor | Gerard Phirinyane KHOJANE<br>Ambassador of the Kingdom of Lesotho to Italy<br>Rome |
| Adviser | M.G. KHUELE<br>Planning Officer<br>Ministry of Agriculture, Cooperatives and Marketing<br>Maseru |
| Adviser | A.N. MOSHOESHOE<br>Senior Planning Officer<br>Ministry of Planning, Economic Affairs and Manpower Development<br>Maseru |
| Adviser | Masuhla H. LETEKA<br>Counsellor<br>Embassy of the Kingdom of Lesotho<br>Rome |

**LIBERIA**

| | |
|---|---|
| Governor | Peter Deo YOUN<br>Deputy Minister for Technical Affairs<br>Ministry of Agriculture<br>Monrovia |
| Alternate Governor | Joseph K. FAMOLU<br>Project Manager<br>Smallholder Rice Seed Project<br>Monrovia |
| Adviser | Dahn V. BORH<br>Agricultural Counsellor<br>Embassy of the Republic of Liberia<br>Rome |

**LIBYAN ARAB JAMAHIRIYA**

| | |
|---|---|
| Governor | Abdul Majid AL-GAUD<br>Secretary of the General People's Committee for Agricultural Reclamation and Land Development<br>Tripoli |
| Alternate Governor | Bashir El Mabrouk SAID<br>Minister Plenipotentiary<br>Permanent Representative of the Socialist People's Libyan Arab Jamahiriya to the United Nations<br>Rome |

**LUXEMBOURG**

| | |
|---|---|
| Gouverneur | Yves MERSCH<br>Directeur du Trésor<br>Ministère des finances<br>Luxembourg |
| Gouverneur suppléant | Nicola MOSAR<br>Ambassadeur du Grand-Duché de Luxembourg en Italie<br>Rome |
| Conseiller | Raymond DUTREUX<br>Premier Secrétaire<br>Ambassade du Grand-Duché de Luxembourg<br>Rome |

**MADAGASCAR**

| | |
|---|---|
| Gouverneur suppléant (provisoire) | Raphael RABE<br>Conseiller<br>Ambassade de la République démocratique de Madagascar<br>Rome |

**MALDIVES**

| | |
|---|---|
| Governor | Abdul Sattar MOOSA DIDI<br>Minister for Health and Welfare<br>Malé |

**MALDIVES** (cont'd)

| | |
|---|---|
| Alternate Governor (acting) | B. Ibrahim SALEEM<br>Senior Under-Secretary<br>Ministry of Finance<br>Malé |

**MALI**

| | |
|---|---|
| Governeur suppléant | Denis TRAORE<br>Directeur de Cabinet<br>Ministère du Plan<br>Bamako |

**MALTA**

| | |
|---|---|
| Governor | Maurice ABELA<br>Ambassador of the Republic of Malta to Italy<br>Rome |
| Alternate Governor | Charles AQUILINA<br>Counsellor<br>Embassy of the Republic of Malta<br>Rome |
| Adviser | Abraham BORG<br>Second Secretary<br>Embassy of the Republic of Malta<br>Rome |
| Adviser | Anthony GALEA<br>Second Secretary<br>Embassy of the Republic of Malta<br>Rome |

**MAURITANIA**

| | |
|---|---|
| Gouverneur (provisoire) | Mohamed Hanchi Ould Mohamed SALEH<br>Ambassadeur de la République islamique de Mauritanie<br>Paris |
| Gouverneur suppléant | Sidi Mohamed OULD BAKHA<br>Directeur-adjoint du financement<br>Ministère du Plan et de l'emploi<br>Nouakchott |

**MAURITIUS**

| | |
|---|---|
| Governor<br>(acting) | C. NABYBACCUS<br>Principal Assistant Secretary<br>Ministry of Agriculture, Fisheries and Natural Resources<br>Port Louis |

**MEXICO**

| | |
|---|---|
| Gobernador | Horacio FLORES DE LA PEÑA<br>Embajador de los Estados Unidos Mexicanos ante el Gobierno Italiano<br>Roma |
| Gobernador Suplente | Miguel Angel CACERES CALVILLO<br>Representante Permanente Alterno de los Estados Unidos Mexicanos ante los Organismos del Sistema de las Naciones Unidas<br>Roma |
| Asesor | Carlos GARCIA DE ALBA<br>Tercer Secretario<br>Embajada de los Estados Unidos Mexicanos<br>Roma |
| Asesor | Alejandro ORTIZ MARTINEZ<br>Director de Cooperación Técnica Internacional<br>Secretaría de Agricultura y Recursos Hidráulicos<br>México, D.F. |
| Asesor | Sergio OSORIO ROMERO<br>Consejero Agropecuario y Forestal<br>Embajada de los Estados Unidos Mexicanos<br>Bruselas |

**MOROCCO**

| | |
|---|---|
| Gouverneur | Ahmed Alaoui ABDELLAOUI<br>Secrétaire général<br>Ministère de l'agriculture et de la réforme agraire<br>Rabat |

**MOROCCO** (cont'd)

| | |
|---|---|
| Gouverneur suppléant (provisoire) | Zine El Abidine SEBTI<br>Ambassadeur du Royaume du Maroc en Italie<br>Rome |
| Conseiller | Abdel Jalil ZERHOUNI<br>Directeur de l'office régional de mise en valeur agricole de Haouz<br>Ministère de l'agriculture et de la réforme agraire<br>Rabat |
| Conseiller | Abdesselem ARIFI<br>Conseiller<br>Ambassade du Royaume du Maroc<br>Rome |

**MOZAMBIQUE**

| | |
|---|---|
| Governor | Hermenegildo Maria CEPEDA GAMITO<br>President<br>People's Development Bank<br>Maputo |
| Adviser | Abel LOPES<br>Deputy Director<br>Special Operations Department<br>People's Development Bank<br>Maputo |

**NEPAL**

| | |
|---|---|
| Governor | Krishna Charan SHRESTHA<br>Minister for Agriculture<br>Kathmandu |
| Alternate Governor | Punya Prasad DAHAL<br>Joint Secretary<br>Ministry of Finance and Industry<br>Kathmandu |
| Adviser | Heramba B. RAJBHANDRY<br>Additional Secretary<br>Ministry of Agriculture<br>Kathmandu |

**NETHERLANDS**

| | |
|---|---|
| Alternate Governor (acting) | Ruud J. TREFFERS<br>Director<br>Multilateral Development Cooperation and Special Programmes Department<br>Ministry of Foreign Affairs<br>The Hague |
| Adviser | Frederik C. PRILLEVITZ<br>Minister Plenipotentiary<br>Permanent Representative of the Kingdom of The Netherlands to FAO<br>Rome |
| Adviser | Jacobus J. NEETESON<br>Head of Section<br>Agricultural Development Cooperation Department<br>Ministry of Agriculture, Nature Management and Fisheries<br>The Hague |
| Adviser | Robert ZELDENRUST<br>Head of the Banks and Investments Section<br>Multilateral Development Cooperation and Special Programmes Department<br>Ministry of Foreign Affairs<br>The Hague |
| Adviser | Gerard DUFYJES<br>Adviser<br>Multilateral Development Cooperation and Special Programmes Department<br>Ministry of Foreign Affairs<br>The Hague |

**NEW ZEALAND**

| | |
|---|---|
| Governor | John Cornelius RYAN<br>Counsellor<br>Permanent Representative of New Zealand to FAO<br>Rome |

**NICARAGUA**

| | |
|---|---|
| Gobernador | Pedro Antonio BLANDON LANZAS<br>Viceministro Primero<br>Ministerio de Cooperación Externa<br>Managua |
| Gobernador Suplente | Laurie CORDUA CRUZ<br>Embajadora de la República de Nicaragua ante la FAO<br>Roma |
| Asesor | Marta VASQUEZ<br>Representante Permanente Alterno de la República de Nicaragua ante la FAO<br>Roma |
| Asesor | Argentina MARTINEZ<br>Directora Ejecutiva Pronorte<br>Estelí |

**NIGER**

| | |
|---|---|
| Gouverneur suppléant (provisoire) | Haladou SALHA<br>Ambassadeur de la République du Niger en Italie<br>Rome |
| Conseiller | Amadou GARBA<br>Directeur du Programme FIDA pour le Niger<br>Ministère de l'agriculture et de l'élevage<br>Niamey |
| Conseiller | Nababa ABDOU<br>Conseiller technique<br>Ministère de l'agriculture et de l'élevage<br>Niamey |
| Conseiller | Soumaila ISSAKA<br>Premier Conseiller<br>Ambassade de la République du Niger<br>Rome |

**NIGERIA**

| | |
|---|---|
| Governor | Alhaji Samaila MAMMAN<br>Minister for Agriculture and Natural Resources<br>Abuja |
| Alternate Governor (acting) | Filibbus BATURE<br>Minister (Agriculture)<br>Embassy of the Federal Republic of Nigeria<br>Rome |
| Adviser | Oloche Anebi EDACHE<br>Acting Director<br>Federal Department of Agriculture<br>Federal Ministry of Agriculture and Natural Resources<br>Abuja |
| Adviser | Salisu A. INGAWA<br>Special Adviser to the Minister<br>Abuja |
| Adviser | Mohammad Rabiu ABUBAKAR<br>Personnal Assistant to the Minister<br>Abuja |

**NORWAY**

| | |
|---|---|
| Governor (acting) (23 & 24.1.90) | Torun DRAMDAL<br>Under-Secretary of State<br>Royal Ministry of Foreign Affairs<br>Oslo |
| Governor | Torbjoern Kristoffer CHRISTIANSEN<br>Ambassador of the Kingdom of Norway to Italy<br>Rome |
| Alternate Governor | Birgit SCHJERVEN<br>Head of Division<br>Royal Ministry of Development Cooperation<br>Oslo |

## NORWAY (cont'd)

| | |
|---|---|
| Adviser | Elisabeth JACOBSEN<br>Executive Officer<br>Royal Ministry of Foreign Affairs<br>Oslo |
| Adviser | Eivind S. HOMME<br>First Secretary<br>Royal Norwegian Embassy<br>Rome |

## OMAN

| | |
|---|---|
| Alternate Governor (acting) | Aflah Suleiman AL-TAI<br>First Secretary<br>Embassy of the Sultanate of Oman<br>Rome |
| Adviser | Mohammed Abdulla AL-SARRAI<br>First Secretary<br>Embassy of the Sultanate of Oman<br>Rome |

## PAKISTAN

| | |
|---|---|
| Governor | Rao Sikandar IQBAL<br>Minister for Food, Agriculture and Cooperatives<br>Islamabad |
| Alternate Governor (acting) | Nazar Abbas SIDDIQUI<br>Joint Secretary<br>Economic Affairs Division<br>Ministry of Finance<br>Islamabad |
| Adviser | Jamal A. KHAN<br>Ambassador of the Islamic Republic of Pakistan to Italy<br>Rome |
| Adviser | Muhammad Saleem KHAN<br>Agricultural Counsellor<br>Embassy of the Islamic Republic of Pakistan<br>Rome |

**PARAGUAY**

| | |
|---|---|
| Gobernador | Pascual SCAVONE<br>Embajador de la República del Paraguay ante el Gobierno Italiano<br>Roma |
| Gobernador Suplente | María CORONEL ARROCA<br>Consejero<br>Embajada de la República del Paraguay<br>Roma |
| Asesor | Diego DI STEFANO MONACO<br>Segundo Secretario<br>Embajada de la República del Paraguay<br>Roma |

**PERU**

| | |
|---|---|
| Gobernador (interino) | Javier TANTALEAN ARBULU<br>Embajador de la República del Perú ante los Organismos Internacionales para la Agricultura y la Alimentación<br>Roma |
| Gobernador Suplente (interino) | María S. LANDAVERI PORTURAS<br>Primer Secretario<br>Representación Permanente de la República del Perú ante los Organismos Internacionales para la Agricultura y la Alimentación<br>Roma |
| Asesor | María Luigia TARANTELLI<br>Representación Permanente de la República del Perú ante los Organismos Internacionales para la Agricultura y la Alimentación<br>Roma |

**PHILIPPINES**

| | |
|---|---|
| Governor (acting) | José M. ZALDARRIAGA<br>Ambassador of the Republic of The Philippines to Italy<br>Rome |

**PHILIPPINES** (cont'd)

| | |
|---|---|
| Adviser | Victoriano B. LEVISTE<br>Agricultural Attaché<br>Deputy Permanent Representative of the Republic of The Philippines to the United Nations Agencies<br>Rome |
| Adviser | Denis Y. LEPATAN<br>Second Secretary<br>Alternate Permanent Representative of the Republic of The Philippines to the United Nations Agencies<br>Rome |
| Adviser | Maria Luisa GAVINO<br>Agricultural Analyst<br>Embassy of the Republic of The Philippines<br>Rome |

**PORTUGAL**

| | |
|---|---|
| Alternate Governor | Jorge COIMBRA MARTINS<br>Attaché (Economic Affairs)<br>Alternate Permanent Representative of the Portuguese Republic to FAO<br>Rome |

**QATAR**

| | |
|---|---|
| Governor (acting) | Abdul-Rahman Bin Hamad AL-ATTIYAH<br>Ambassador of the State of Qatar<br>Paris |
| Adviser | Ibrahim SALAH<br>Attaché<br>Embassy of the State of Qatar<br>Paris |

**RWANDA**

| | |
|---|---|
| Gouverneur (provisoire) | André KATABARWA<br>Ambassadeur de la République rwandaise en Italie<br>Rome |

### RWANDA (cont'd)

| | |
|---|---|
| Gouverneur suppléant (provisoire) | Anastase MUREKEZI<br>Directeur général de la production agricole<br>Ministère de l'agriculture<br>Kigali |
| Conseiller | Laurien NGIRABANZI<br>Directeur du projet de développement rural de Byumba<br>Byumba |
| Conseiller | Michel NZAYO<br>Deuxième Conseiller<br>Ambassade de la République rwandaise<br>Rome |

### SAO TOME AND PRINCIPE

| | |
|---|---|
| Gouverneur (provisoire) | Arzemiro DOS PRAZERES<br>Directeur<br>Direction des pêches<br>Ministère de l'agriculture et de la pêche<br>Sao Tomé |

### SAUDI ARABIA

| | |
|---|---|
| Governor | Abdul Rahman Bin Abdul Aziz Al AL-SHEIKH<br>Minister for Agriculture and Water Resources<br>Riyadh |
| Alternate Governor (acting) | Atif Yahya Abdullah BUKHARI<br>Ambassador of the Kingdom of Saudi Arabia to FAO<br>Rome |
| Adviser | Abou-Jebal HAMID<br>Director-General<br>Ministry of Agriculture and Water<br>Riyadh |
| Adviser | Waleed EL-KHEREIJI<br>Alternate Permanent Representative of the Kingdom of Saudi Arabia to FAO<br>Rome |

### SAUDI ARABIA (cont'd)

| | |
|---|---|
| Adviser | Khalid AL-SHEIKH<br>Ministry of Agriculture and Water Resources<br>Riyadh |

### SENEGAL

| | |
|---|---|
| Gouverneur (provisoire) | Youssouph BARO<br>Ambassadeur de la République du Sénégal en Italie<br>Rome |
| Conseiller | Sidaty AIDARA<br>Conseiller<br>Ambassade de la République du Sénégal<br>Rome |

### SEYCHELLES

| | |
|---|---|
| Governor | Jeremie BONNELAME<br>Minister for Agriculture and Fisheries<br>Victoria |
| Alternate Governor (acting) | Philipe MICHAUD<br>Managing Director<br>Ministry of Agriculture and Fisheries<br>Victoria |

### SOLOMON ISLANDS

| | |
|---|---|
| Governor | Abraham KAPEI<br>Minister for Agriculture and Lands<br>Honiara |
| Alternate Governor (acting) | Jones RONI<br>Permanent Secretary<br>Ministry of Agriculture and Lands<br>Honiara |

**SOMALIA**

| | |
|---|---|
| Alternate Governor (acting) | Abdullahi Farah BARRE<br>First Secretary<br>Embassy of the Somali Democratic Republic<br>Rome |

**SPAIN**

| | |
|---|---|
| Gobernador | Carlos SPOTTORNO<br>Ministro Consejero<br>Embajada de España<br>Roma |
| Asesor | Jaime GARCIA Y BADIAS<br>Agregado de Agricultura, Pesca y Alimentación<br>Embajada de España<br>Roma |

**SRI LANKA**

| | |
|---|---|
| Governor (acting) | J.G. Wijeratne BANDA<br>Minister of State for Agriculture<br>Colombo |
| Alternate Governor | Chandra N. DE ZOYSA<br>Ambassador of the Democratic Socialist Republic of Sri Lanka to Italy<br>Rome |
| Adviser | C.H. DE A. JAYASINGHE<br>Deputy Director of Planning<br>Ministry of Agriculture, Food and Cooperatives<br>Colombo |
| Adviser | C.S. POOLOKASINGHAM<br>Counsellor<br>Embassy of the Democratic Socialist Republic of Sri Lanka<br>Rome |

## SUDAN

| | |
|---|---|
| Governor<br>(acting) | El Sayed Ali Ahmed ZAKI<br>Minister for Finance and<br>Economic Planning<br>Khartoum |
| Alternate<br>Governor<br>(acting) | George Kinga DALKING<br>Minister for Labour<br>and Social Security<br>Khartoum |
| Adviser | Abu El Gassim Ahmed SHUMU<br>State Minister for Agriculture<br>and Natural Resources<br>Khartoum |
| Adviser | Mousa Mohamed MOUSA<br>First Under-Secretary<br>Ministry of Agriculture<br>and Natural Resources<br>Khartoum |
| Adviser | Bashir MAHGOUB<br>Project Coordinator<br>Technical Adviser<br>Ministry of Agriculture<br>and Natural Resources<br>Khartoum |
| Adviser | Farouk Mustafa ALI<br>Ambassador of the Republic of<br>The Sudan to Italy<br>Rome |
| Adviser | Gamal Mohamed AHMED<br>Counsellor (Agricultural Affairs)<br>Embassy of the Republic<br>of The Sudan<br>Rome |
| Adviser | Medani NAMOUN<br>Deputy Under-Secretary<br>Ministry of Finance and<br>Economic Planning<br>Khartoum |
| Adviser | H. Z. EL-TAHIR<br>Adviser<br>Ministry of Finance and<br>Economic Planning<br>Khartoum |

**SWAZILAND**

| | |
|---|---|
| Governor (acting) | Frank M. BUCKHAM<br>Principal Secretary<br>Ministry of Agriculture and Cooperatives<br>Mbabane |
| Alternate Governor (acting) | Patrick K. LUKHELE<br>Director of Agriculture<br>Ministry of Agriculture and Cooperatives<br>Mbabane |
| Adviser | Aubrey M. SHONGWE<br>Executive Secretary<br>Ministry of Agriculture and Cooperatives<br>Mbabane |

**SWEDEN**

| | |
|---|---|
| Alternate Governor (acting) | Inga BJOERK-KLEVBY<br>Deputy Assistant Under-Secretary<br>Ministry of Foreign Affairs<br>Stockholm |
| Adviser | Sture THEOLIN<br>Counsellor<br>Alternate Permanent Representative of the Kingdom of Sweden to FAO<br>Rome |
| Adviser | Bo WILEN<br>Head of Section<br>Ministry of Foreign Affairs<br>Stockholm |

**SWITZERLAND**

| | |
|---|---|
| Gouverneur | Jean-François GIOVANNINI<br>Vice-directeur<br>Direction de la coopération au développement et de l'aide humanitaire<br>Berne |
| Conseiller | Rudolf DE POURTALES<br>Ministre<br>Ambassade de Suisse<br>Rome |

**SYRIA**

| | |
|---|---|
| Governor (acting) | Abdul Rahim SBEII<br>Deputy Minister of State for Planning Affairs<br>Ministry of Planning Affairs<br>Damascus |
| Alternate Governor (acting) | Zohair TAGHLIBI<br>Adviser to the Prime Minister<br>Damascus |
| Adviser | Souad ABDALLA<br>Minister Plenipotentiary<br>Chargé d'affaires, a.i.<br>Embassy of the Syrian Arab Republic<br>Rome |
| Adviser | Ahmad Al Haj IBRAHIM<br>First Secretary<br>Embassy of the Syrian Arab Republic<br>Rome |
| Adviser | Haffar AWATEF<br>Press Attaché<br>Embassy of the Syrian Arab Republic<br>Rome |

**TANZANIA, UNITED REPUBLIC OF**

| | |
|---|---|
| Alternate Governor | Abbas Kleist SYKES<br>Ambassador of the United Republic of Tanzania to Italy<br>Rome |
| Adviser | Hamisi MWINYIGOHA<br>Minister Plenipotentiary<br>Embassy of the United Republic of Tanzania<br>Rome |
| Adviser | Wilfred J. NGIRWA<br>Assistant Commissioner for Planning and Marketing<br>Ministry of Agriculture and Livestock Development<br>Dar-es-Salaam |

**THAILAND**

| | |
|---|---|
| Governor | Vanich VARIKUL<br>Deputy Permanent Secretary<br>Ministry of Agriculture and Cooperatives<br>Bangkok |
| Alternate Governor | Vanrob ISARANKURA<br>Agricultural Counsellor<br>Royal Thai Embassy<br>Rome |
| Adviser | Thana THONGTAN<br>Secretary General<br>Office of the National FAO Committee<br>Ministry of Agriculture and Cooperatives<br>Bangkok |
| Adviser | Pisan LUETONGCHARG<br>First Secretary<br>Royal Thai Embassy<br>Rome |

**TRINIDAD AND TOBAGO**

| | |
|---|---|
| Alternate Governor (acting) | Annette GONZALES<br>Chargé d'affaires, a.i.<br>Deputy Permanent Representative of the Republic of Trinidad and Tobago to the United Nations Office<br>Geneva |

**TUNISIA**

| | |
|---|---|
| Gouverneur suppléant | Amor BEN ROMDHANE<br>Ministre plénipotentiaire<br>Représentant permanent de la République tunisienne auprès du FIDA et de la FAO<br>Rome |

**TURKEY**

| | |
|---|---|
| Governor | Lütfullah KAYALAR<br>Minister for Agriculture, Forestry and Rural Affairs<br>Ankara |
| Alternate Governor | Omer ZEYTINOGLU<br>Minister Plenipotentiary<br>Permanent Representative of the Republic of Turkey to the United Nations Food and Agriculture Organizations<br>Rome |
| Adviser | Hasim OGUT<br>Director-General<br>Projects and Implementation Department<br>Ministry of Agriculture, Forestry and Rural Affairs<br>Ankara |

**UGANDA**

| | |
|---|---|
| Governor | Jehoash S. MAYANJA-NKANGI<br>Minister for Planning and Economic Developemnt<br>Kampala |
| Alternate Governor (acting) | Tom OGWAL<br>Permanent Secretary<br>Ministry of Agriculture<br>Kampala |
| Adviser | Tibamanya mwene MUSHANGA<br>Ambassador of the Republic of Uganda to Italy<br>Rome |
| Adviser | George Austin OTIM<br>Coordinator of IFAD Projects<br>Ministry of Agriculture<br>Kampala |
| Adviser | Kakima NTAMBI<br>Minister Counsellor<br>Embassy of the Republic of Uganda<br>Rome |

**UGANDA** (cont'd)

| | |
|---|---|
| Adviser | Mansoor SIMBWA-BUNNYA<br>Minister Counsellor<br>Embassy of the Republic of Uganda<br>Rome |

**UNITED ARAB EMIRATES**

| | |
|---|---|
| Governor (acting) | Mohammed Saeed AL JARRAH<br>Minister Counsellor<br>Chargé d'affaires, a.i.<br>Embassy of the United Arab Emirates<br>Rome |
| Alternate Governor (acting) | Nariman Abdulla Kamber AL AWADHI<br>Assistant Director<br>Investment Department<br>Ministry of Finance and Industry<br>Abu Dhabi |

**UNITED KINGDOM**

| | |
|---|---|
| Alternate Governor | Michael A. POWER<br>Head<br>International Financial Institutions Department<br>Overseas Development Administration<br>London |
| Adviser | Suzanne BAILEY<br>Principal<br>International Financial Institutions Department<br>Overseas Development Administration<br>London |

**UNITED STATES**

| | |
|---|---|
| Governor (acting) | Reginald BROWN<br>Assistant Administrator<br>Bureau for Program and Policy Coordination<br>Agency for International Development<br>Washington, D.C. |

**UNITED STATES** (cont'd)

Gerald MONROE
Permanent Representative of the United States to the United Nations Agencies for Food and Agriculture
Rome

Adviser

Barbara UPTON
Director
Bureau for Program and Policy Coordination
Agency for International Development
Washington, D.C.

Adviser

Richard M. SEIFMAN
Attaché for Development Affairs
United States Mission to the United Nations Agencies for Food and Agriculture
Rome

Adviser

Roger P. LEWIS
Office of International Cooperation and Development
International Organization Affairs
Department of Agriculture
Washington, D.C.

Adviser

Robert DOWNES
Office of Development Finance
Bureau of Economic and Business Affairs
Department of State
Washington, D.C.

**VENEZUELA**

Gobernador Suplente

Mercedes FERMIN GOMEZ
Embajadora de la República de Venezuela ante la FAO
Roma

Asesor

Aquiles VILORIA VILORIA
Gerente de Cooperación Financiera Internacional
Fondo de Inversiones de Venezuela
Caracas

**VIET NAM**

| | |
|---|---|
| Gouverneur<br>(provisoire) | TRAN VAN HAI<br>Conseiller<br>Ambassade de la République socialiste du Viet Nam<br>Rome |

**YEMEN A.R.**

| | |
|---|---|
| Governor | Nasser Abdallah AL-AWALAKI<br>Minister for Agriculture and Fisheries<br>Sana'a |
| Adviser | Najib ABDUALATIF<br>Director of Loans and Assistance<br>Ministry of Agriculture and Fisheries<br>Sana'a |

**YEMEN, P.D.R.**

| | |
|---|---|
| Governor<br>(acting) | Abdul Wahab SHARAF<br>Deputy Minister for Fisheries<br>Aden |
| Alternate Governor | Anwar Mohammed KHALED<br>Ambassador of the People's Democratic Republic of Yemen to IFAD and FAO<br>Rome |
| Adviser | Abdul Rahman TARMUM<br>Director<br>Department of Agriculture and Fisheries<br>Ministry of Planning<br>Aden |

**YUGOSLAVIA**

| | |
|---|---|
| Governor | Dusan STRBAC<br>Ambassador of the Socialist Federal Republic of Yugoslavia to Italy<br>Rome |

**YUGOSLAVIA** (cont'd)

| | |
|---|---|
| Adviser | Marinko DOMLJANOVIC<br>First Secretary<br>Embassy of the Socialist Federal Republic of Yugoslavia<br>Rome |

**ZAIRE**

| | |
|---|---|
| Gouverneur | Mananga Dintoka PHOLO<br>Ambassadeur de la République du Zaïre en Italie<br>Rome |
| Conseiller | Mulumba KAZADI<br>Deuxième Conseiller<br>Ambassade de la République du Zaïre<br>Rome |

**ZAMBIA**

| | |
|---|---|
| Governor | Justin Jeremiah MUKANDO<br>Minister for Agriculture<br>Lusaka |
| Adviser | G.R. NZALA<br>Chargé d'affaires, a.i.<br>Embassy of the Republic of Zambia<br>Rome |
| Adviser | J.P. LUNGU<br>First Secretary<br>Embassy of the Republic of Zambia<br>Rome |
| Adviser | Lonan Mukang'andy CHISUTA<br>Assistant Secretary (Technical Coordination)<br>Ministry of Cooperatives<br>Lusaka |
| Adviser | Michael C. SOKO<br>Deputy Director of Planning<br>Ministry of Agriculture<br>Lusaka |

**ZIMBABWE**

| | |
|---|---|
| Governor | David Ishemunyoro G. KARIMANZIRA<br>Minister for Lands, Agriculture and Rural Resettlement<br>Harare |
| Adviser | Tobias TAKAVARASHA<br>Deputy Secretary<br>Ministry of Lands, Agriculture and Rural Resettlement<br>Harare |

## المراقبون

## OBSERVERS

## OBSERVATEURS

## OBSERVADORES

**BULGARIA**

Yuli MINCHEV
Minister Plenipotentiary
Permanent Representative
of the People's Republic
of Bulgaria to FAO
Rome

Svetoslov JIVKOV
Second Secretary
Alternate Permanent Representative
of the People's Republic
of Bulgaria to FAO
Rome

**MALAYSIA**

Bahar MUNIP
Agricultural Attaché
Embassy of the Federation
of Malaysia
Rome

Mohammed ZULKIFLI BIN MOHAMMED
Assistant Agricultural Attaché
Embassy of the Federation
of Malaysia

| | |
|---|---|
| **MYANMAR** | Thein TOE<br>Ambassador of the Union of Myanmar to Italy<br>Rome |
| | Kyaw Zaw NYUNT<br>Second Secretary<br>Embassy of the Union of Myanmar<br>Rome |
| | Kyaw SWA<br>Third Secretary<br>Embassy of the Union of Myanmar<br>Rome |

**HOLY SEE**

S.E. Mgr. Agostino FERRARI-TONIOLO
Observateur permanent du Saint-Siège
auprès du FIDA et de la FAO
Cité du Vatican

Lelio BERNARDI
Conseiller
Cité du Vatican

Saverio PETRILLO
Conseiller
Cité du Vatican

Vincenzo BUONOMO
Conseiller
Cité du Vatican

## UNITED NATIONS AND SPECIALIZED AGENCIES

| | |
|---|---|
| United Nations | Gerald Ion TRANT<br>Representative of the Secretary-General<br>Executive Director<br>World Food Council<br>Rome |
| Economic Commission for Africa | Ali HARIBOU<br>Project Analyst JAFR<br>Addis Ababa |
| Food and Agriculture Organization of the United Nations | Rolf GUSTEN<br>Director<br>Investment Center<br>Rome |
| | Romano PANTANALI<br>Chief, Service IV<br>Investment Center<br>Rome |
| International Monetary Fund | Rattan G. BHATIA<br>Director<br>IMF Office at the United Nations<br>New York |
| United Nations Development Programme | Eugene YOUKEL<br>Director<br>European Office<br>Geneva |
| Office of the United Nations High Commissioner for Refugees | Margaret O'KEEFE<br>Deputy Head of Fund-Raising Services<br>Geneva |
| | Ulrike VON BUCHWALD<br>Refugee Aid and Development Officer<br>Technical Support Services<br>Geneva |

## UNITED NATIONS AND SPECIALIZED AGENCIES (cont'd)

| | |
|---|---|
| United Nations International Research and Training Institute for the Advancement of Women | Daniela COLOMBO<br>Member of the Board of Trustees<br>Santo Domingo |
| World Bank | Marius VERAART<br>Cooperative Programs Coordinator<br>Central Operations Department<br>Washington, D.C. |
| World Food Council | ZHOU Wei<br>Senior Economic Affairs Officer<br>Rome |
| World Food Programme | Salahuddin AHMED<br>Deputy Executive Director<br>Rome |
| | Munzer EL MIDANI<br>Director<br>External Relations Division<br>Rome |
| | Mieko IKEGAME<br>Senior External Relations Officer<br>External Relations Division<br>Rome |

## INTERGOVERNMENTAL ORGANIZATIONS

| | |
|---|---|
| Arab Centre for the Studies of Arid Zones and Dry Lands | Mohamed EL-KASH<br>Director-General<br>Damascus |
| Arab Fund for Economic and Social Development | Walel KANAAN<br>Senior Operations Officer<br>Kuwait |
| Arab Organization for Agricultural Development | Karrar A. ABBADI<br>Head<br>Policy and Planning Division<br>Khartoum |
| Asian Development Bank | Eiji KOBAYASHI<br>Deputy Director<br>Agriculture Department<br>Manila |
| Commission of the European Communities | Gian Paolo PAPA<br>CEC Representative to International Organizations<br>Rome |
| European Economic Community | G. KIELY<br>Administrator<br>Department of Agriculture<br>Brussels |
| International Centre of Insect Physiology and Ecology | Eliud O. OMOLO<br>Senior Research Scientist (Agronomy)<br>Coordinator PESTNET<br>Pest Management R&D Network<br>Nairobi |
| International Organization for Migration | Bruno SILVESTRI<br>Mission Head, a.i.<br>Rome |

## INTERGOVERNMENTAL ORGANIZATIONS (cont'd)

| | |
|---|---|
| International Potato Centre | Kenneth J. BROWN<br>Director<br>Regional Program<br>Lima |
| | Roger CORTBAOUI<br>Regional Director<br>North Africa and Middle East<br>Tunis |
| Islamic Development Bank | Mahmoud Said AHMAD<br>Agricultural Economist<br>Operations and Projects Department<br>Jeddah |
| OPEC Fund for International Development | Yesufu Seyyid M. ABDULAI<br>Director-General<br>Vienna |
| Organization of African Unity | Nourredine HACHED<br>Executive Secretary<br>Geneva |
| OAU/STRC Secretariat | Dr. FALL<br>Assistant Executive Secretary<br>Lagos |
| River Plate Basin Financial Fund (FONPLATA) | Efraín Darío CENTURION<br>Chairman of the Executive Board<br>Asunción |
| West-African Development Bank | Kouassi KOFFI<br>Special Adviser of the President<br>Lomé |
| | André Soungalo FAYAMA<br>Responsible for Cooperation<br>Lomé |

## NON-GOVERNMENTAL ORGANIZATIONS

| | |
|---|---|
| Bellerive Foundation | Francesco STRIPPOLI<br>Chief<br>Programmes Section<br>Geneva |
| Caritas Internationalis | Fernando CEDRIC<br>Permanent Representative<br>Rome |
| Catholic Relief Services | May GEOFFREY<br>Representative<br>Geneva |
| Center of Financial Assistance for African Countries (FINAFRICA) | Felice TAMBUSSI<br>Manager<br>Milan |
| International Federation of Agricultural Producers | Giuseppina PELA<br>Permanent Representative<br>Rome |
| International Foundation for Development Alternatives | Marc NERFIN<br>President<br>Nyon |
| International Union of Nutritional Sciences (IUNS) | Anna FERRO-LUZZI<br>Professor<br>Rome |
| Les Iles de Paix | Philippe DE BRACONIER<br>General Secretary<br>Huy |
| Lutheran World Federation | Carl F. NIELSEN<br>Secretary for Communication and Documentation<br>Geneva |
| Society for International Development | Robert CASSANI<br>Executive Director<br>Rome |

**NON-GOVERNMENTAL ORGANIZATIONS (cont'd)**

| | |
|---|---|
| **Worldview International Foundation** | Nabil MAHAINI<br>Regional Director for Arab Countries<br>Damascus |
| **World Council of Credit Unions** | Dean MAHON<br>Director<br>European Office<br>Geneva |

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**IFAD**

GC 13/L.1/Rev.2

ENGLISH
ORIGINAL: ENGLISH

Governing Council

Thirteenth Session
Rome, 23 - 25 January 1990

Agenda Item 2

# AGENDA

1. Opening of the Session
2. Adoption of the Agenda
3. Election of the Chairman and Vice-Chairmen of the Governing Council
4. Applications for Non-original Membership
5. Statement of the President of IFAD
6. General Statements
7. Audited Financial Statements of IFAD - 31 December 1988
8. Proposed Budget of IFAD for 1990
9. Progress Report on the Third Replenishment of IFAD's Resources
10. The High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure
11. Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989
12. Election of Members and Alternate Members of the Executive Board
13. Report on the Status of the Headquarters Agreement
14. Fourteenth Session of the Governing Council
    (a) Amendment of the Rules of Procedure of the Governing Council
    (b) Date of the Fourteenth Session of the Governing Council
15. Environmental Sustainability and Rural Poverty Alleviation: Operational Issues for IFAD
16. Other Business

# LIST OF DOCUMENTS PLACED BEFORE THE GOVERNING COUNCIL AT ITS THIRTEENTH SESSION

| Document No. | Agenda Item | Title |
|---|---|---|
| GC 13/L.1/Rev.1 | 2 | Provisional Agenda and Annotations |
| GC 13/L.1/Rev.1/Add.1 | 2 | Schedule of Work for the Session |
| GC 13/L.2 | 4 | Applications for Non-original Membership |
| GC 13/L.4 | 7 | Audited Financial Statements of IFAD - 31 December 1988 |
| GC 13/L.5 + Add.1 | 8 | Programme of Work and Budget of IFAD for 1990 |
| GC 13/L.6 + Add.1 + Add.2 + Add.3 + Add.4 + Corr.1 | 9 | Progress Report on the Third Replenishment of IFAD's Resources |
| GC 13/L.7 | 10 | Report of the High-level Intergovernmental Committee on IFAD's Future Financial Basis and Structure |
| GC 13/L.8 + Add.1 | 11 | Progress Report on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification for 1989 |
| GC 13/L.9 | 12 | Election of Members and Alternate Members of the Executive Board |
| GC 13/L.10 | 14(a) | Amendment of the Rules of Procedure of the Governing Council |
| GC 13/L.12 | 15 | Environmental Sustainability and Rural Poverty Alleviation: Operational Issues for IFAD |
| GC 13/INF.1 | | Arrangements for the Thirteenth Session of the Governing Council |
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| | | |
|---|---|---|
| GC 13/INF.3 + Rev.1<br>+ Rev.2 | | Provisional List of Participants to the Thirteenth Session of the Governing Council |
| GC 13/C.R.P.1 | | Draft Resolution on the Statement of the President of IFAD Presented by The Niger |
| GC 13/C.R.P.2 | 11 | Draft Resolution on the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification |

INTERNATIONAL
FUND FOR
AGRICULTURAL
DEVELOPMENT

Distr. **IFAD**
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Governing Council

Thirteenth Session
Rome, 23 - 26 January 1990

Agenda Item 8

## PROGRAMME OF WORK AND BUDGET OF IFAD FOR 1990

1. With reference to Note 1 on the first page of the Programme of Work and Budget of IFAD for 1990 (document GC 13/L.5), the Governing Council is invited to approve the recalculation of the budget at the present prevailing rate of exchange for the Italian Lire, since the original budget was calculated at 1 340 Italian Lire/US$ 1.00, the rate for the Budget of IFAD for 1989.

2. The prevailing rate according to the International Monetary Fund is 1 270 Italian Lire/US$ 1.00. The President recommends that the Governing Council adopt this rate for the purpose of the recalculation of the Budget of IFAD for 1990.

3. Accordingly, in paragraph 4 of the draft resolution on page ii of document GC 13/L.5, the total amount of the Budget of IFAD for 1990 will be US$ 39 835 000 plus the contingency of US$ 500 000, based on the rate of exchange of 1 270 Italian Lire/US$ 1.00.

INTERNATIONAL
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**IFAD**

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Thirteenth Session
Rome, 23 - 26 January 1990

Agenda Item 8

# PROGRAMME OF WORK AND BUDGET OF IFAD FOR 1990

In accordance with Article 6, Section 10, of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations and on the recommendation of the Executive Board, the President hereby submits the 1990 Budget to the Governing Council for approval.

The Programme of Work for 1990, on which the budget is based, was reviewed by the Executive Board at its Thirty-Seventh Session and a level of SDR 214.4 million was approved for planning purposes.

The Executive Board, at its Thirty-Seventh Session, also reviewed the proposed Budget of IFAD for 1990 and endorsed the Budget for the approval of the Thirteenth Session of the Governing Council, in the amount of US$ 38 712 000 1/ plus a contingency of US$ 500 000.

Accordingly, it is recommended that the Governing Council should adopt the attached draft Resolution, approving the 1990 Budget in the amount indicated therein.

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1/ This figure will require to be adjusted in accordance with the prevailing exchange rate of Italian Lire/US Dollar, as decided by the Council. A document indicating the recommended rate and the resultant total budget amount will be tabled at the Thirteenth Session.

# DRAFT RESOLUTION ON THE BUDGET OF IFAD FOR 1990

Resolution /XIII

Budget of IFAD for 1990

The Governing Council of IFAD

1. Bearing in mind Article 6.10 of the Agreement Establishing IFAD and Regulation VI of the Financial Regulations of IFAD;

2. Noting that at its Thirty-Seventh Session, the Executive Board reviewed and agreed upon a Programme of Work of IFAD for 1990 in the amount of SDR 214.4 million;

3. Having considered the recommendation of the Thirty-Seventh Session of the Executive Board concerning the proposed Budget of IFAD for 1990;

4. Approves the Budget of IFAD for 1990, as contained in document GC 13/L.5 in the amount of US$ ___________________* determined on the basis of a rate of exchange of ____________________*, plus a Contingency of US$ 500 000;

5. Decides that in the event the average value of the US Dollar in 1990 should change against the Italian Lira rate of exchange used to calculate the Budget, the total US Dollar equivalent of the Lira expenditures in the Budget shall be adjusted in proportion that the actual average exchange rate in 1990 bears to the Budget exchange rate.

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* To be inserted on the day of approval by the Governing Council.

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[1] Any reference in this document to dollars/$ refers to United States dollars.

# I. OVERVIEW

## Principles Underlying Preparation and Contents of the 1990 Programme of Work and Budget

1. In considering the proposals for the 1990 Budget included in this document, the Governing Council will wish to take into account the issues described below which impact on these budget recommendations.

### (i) Volume of Loan and Grant Activities

2. The period 1985-87 was the low point in terms of the volume of loan and grant commitments by IFAD. This was caused by two factors. First, the lengthy negotiations over the Second Replenishment, and the relatively low amount provided by that Replenishment, raised questions about the level of resources available for commitment. Secondly, a substantial effort was being made in this period to sharpen further the Fund's focus on rural poverty issues - as is described in more detail in the following paragraphs - and this led to a reconsideration of some of the projects in the pipeline as well as to longer periods being required for project development.

3. The situation in 1990 and for the next few years is quite different. Negotiations on the Third Replenishment are already complete; it can be reasonably hoped that payments of contributions will be made, in larger amounts than was the case for the Second Replenishment, in the period 1990-92. Availability of net investment income for commitment purposes remains high. Even with possible delinquencies on loan interest and principal repayments, reflows from past lending activities will grow in this period. Thus, the level of resources, and the assurance that they will be available on a timely basis, is considerably better in the 1990-1992 period than was true earlier. At the same time, while the Fund continues to emphasize better targetting of its resources, important lessons in this regard have already been learnt and will permit faster project development. Finally, with increased resources being devoted to project identification, preparation and appraisal, in recent years (and proposed in the 1990 budget) the pipeline of projects under development has expanded - from 46 projects in the pipeline at the end of 1986 to 70 in late 1989.

4. All these factors support an expectation that the level of resources to be devoted to loans and grants can increase substantially in the period 1990-1992 and that the resources will be available to accomplish this.

5. The amounts projected in the 1990 Programme of Work for loans and grants should be seen as a step in moving towards higher overall commitment levels in the 1990-1992 period.

### (ii) Some Key Issues Affecting Loan Operations

6. a) IFAD Specificity: While IFAD has consistently sought to achieve the objective stated in the Agreement Establishing the Fund of "mobilizing additional resources to be made available on concessional terms for agricultural development in Developing Member States", the President and the governing bodies have increasingly stressed that the content of the programme should be more sharply focussed on developing innovative cost-effective approaches to respond to the specific needs and aspirations of the rural poor, in particular rural women with due regard to their socio-economic setting and their environment. Thus the specificity of IFAD's approach to rural poverty alleviation is a major consideration in every project. This concern which has been particularly emphasised in recent years, will continue to be a major factor in programme development in the period 1990-1992.

b) IFAD-initiated Projects and Projects Initiated by Other Institutions: In its early years, about fifty percent of the projects financed by IFAD were initially identified by other financial institutions, with IFAD joining as cofinancier. However, as greater emphasis has been put on IFAD specificity, it has become evident that IFAD must take a greater initiative in identifying projects it will finance. Thus in 1989, the number of projects initiated by IFAD in both the regular programme and the Special Programme for Africa represented about 92 percent of those approved. This greater involvement of IFAD in programme/project development has, however, placed a considerable strain on the Fund's staff. It may not therefore be possible under present constraints, to maintain such a high level of IFAD-initiated projects; however, decisions by IFAD to cofinance projects from the pipeline of other institutions should take place only when IFAD's concern with specificity can be promoted through such cofinancing. During the period 1990-1992 it can be expected that the percentage of IFAD-initiated projects will remain much higher than during the first five years of the Fund's operations but that efforts will be undertaken to inject greater emphasis on poverty alleviation in the design of those projects initially identified by other financial institutions which are cofinanced by IFAD.

c) Enlarging the Resources Devoted to the Rural Poor: It is clearly desirable for IFAD to share its experience with other donor organizations to assist them in improving their own capacity to deal with rural poverty. One mechanism for this is through seeking cofinancing of IFAD projects by other donors. Also, of course, this increases the resources going into those specific projects. Thus, while the Fund will initiate the majority of its own projects, participation in their financing by other donors will be sought in the largest possible number of these projects. In 1989, 57 percent of IFAD-initiated projects received cofinancing compared to 28 per cent in 1984.

d) Cooperating Institutions: Just as cofinancing is one means for sharing IFAD's experience with other donor institutions, maintaining a broad range of cooperating institutions is another. IFAD has engaged a few more organizations to act as cooperating institutions in recent years. This also enhances the Fund's individual identity. Subject to the discussion of Appraisal and Supervision below, it is anticipated that the Fund will continue to work with as broad a range of cooperating institutions in 1990-1992.

### (iii) Programme Emphasis in Loan Operations

7. The Fund will continue to emphasize certain key themes in project development. The central focus on participation of beneficiaries in project planning and implementation will remain a key concern. In many cases, importance is given to the establishment or strengthening of farmers' groups to serve as a focal point for project activities. Emphasis will continue to be given to the special needs of ethnic minorities, tribals and nomads. The role that NGOs can play in strengthening participation and improving group activities will receive increased attention. The Fund's long expressed concern to assure that women's needs are fully understood and that project activities respond to those needs will be enhanced by the work of a recently employed Advisor on Women in Development as well as through strengthened staff training. The effort of the Fund to look at rural poverty in its broadest sense, both in terms of agricultural production potential and in terms of off-farm employment opportunities, will be broadened as the Fund seeks new approaches to meet the needs of the landless. And, as is discussed more fully in document GC 13/L.12 the interrelated issues of rural poverty and environmental degradation will be given even greater attention.

### (iv) Grant Activities - A New Approach to Supporting International Research Programmes.

8. IFAD's technical assistance grants to international research organizations have always been aimed at supporting activities which have direct relevance to the needs of the rural poor and which have the potential to provide the basis for IFAD's lending activities. However, IFAD has relied to date primarily on the research institutions themselves to identify those activities to be financed by the Fund. Just as the need to maintain IFAD's specificity in loan activities has led to an increase in IFAD-initiated projects, the Fund is starting to play a greater role in identifying some of the international research programmes which it will support so as to assure that such activities are more directly related to identified constraints in the Fund's project activities. The budget makes provision for a limited amount of funding for this purpose.

### (v) Issues Related to Appraisal and Supervision

9. The Agreement Establishing IFAD requires the Fund to call upon cooperating institutions to undertake appraisals of most projects and to supervise all IFAD projects. As the Fund places increasing emphasis on the specificity of its approach to easing rural poverty, greater attention must be given during implementation to assuring that project resources do have the requisite socio-economic impact on the target group as identified

by IFAD. Since many cooperating institutions put less emphasis on this concern than does the Fund, IFAD has found it necessary to participate actively along with cooperating institutions in the supervision process. Similarly, to assure that projects are designed to IFAD's standards, the Fund has participated more actively in the appraisal process, in several cases assuming direct responsibility for mounting appraisal missions. The proposed 1990 budget provides increased funding to enable IFAD to pursue its policy of direct participation in the appraisal and supervision process.

10. The need to strengthen the appraisal and supervision process, along with the increasing costs involved, has raised questions as to whether IFAD should consider taking over full responsibility for supervision of at least some of its projects provided this can be done at the same or at preferably lesser cost. The Executive Board has asked that studies be undertaken to consider the cost implications of increased direct involvement by IFAD in supervision. The Organizational and Staffing Study, noted below, will address the staffing implications of these issues. However, the outcome of these studies will not affect the budget before 1991.

### (vi) Organizational and Staffing Issues

11. A complete review of IFAD's organizational and staffing requirements was last carried out in 1981-82. Since that time, the structure and specificity of the programme has progressed substantially, as indicated in preceding paragraphs. This has led to a conclusion that a new Organizational and Staffing Study should be undertaken. With financial support by the Canadian Government, that study is scheduled to be conducted during 1990 and an interim report, at least, on the study's findings will be reviewed by the Executive Board in April 1990.

12. While recognizing the importance of this study for determining longer term staff requirements, the President feels it important to establish certain new positions in 1990 - five professional and four general service positions, details of which are given in Section VI of the Budget document. In reviewing these proposals prior to their submission to the Governing Council, the Executive Board considered whether or not these positions should be authorized and provided for in the 1990 budget prior to completion of the Organizational and Staffing Study. It concluded that the positions should be provided for in the budget, and they are accordingly included in the document now presented to the Governing Council. However, the Executive Board decided that upon approval of the budget, only two of the professional and three of the general service positions should be immediately open for recruitment, although the Executive Board also directed the President to review the situation with the Board in the event that the numbers of staff appointed reach 96 professional and 137 general service staff members. While agreeing to the inclusion of the three remaining professional and one general service positions in the budget, the Executive Board requested that these positions be frozen until the interim report of the Organization and Staffing Study is reviewed in April 1990.

13. In addition to the positions described above, there have been a number of positions treated as Temporary-in-Lieu of permanent positions (TIL) which the Executive Board and Governing Council had in a previous year agreed should be gradually converted to regular employment status. Eight general service TIL positions remain to be converted. The Executive Board recommends that the 1990 Budget should make provision for conversion to regular status of these eight positions and this has been incorporated in the Budget.

### (vii) The Programme of Work

14. Taking into account the discussion above regarding the desirability of a gradual increase in the level of commitments for loans and grants in 1990-1992, the Programme of Work for 1990 has been established at SDR 214.4 million, including SDR 200 million for loans, SDR 10.5 million for grants and SDR 3.9 million for project-related activities and services to Member Governments. This represents an increase from the approved 1989 Programme of Work of SDR 200 million and from the actual commitment of SDR 171 million for loans and grants in 1989. It is anticipated that the same number of projects (20) would be approved in 1990 as was provided for in the 1989 Programme of Work, but that the average loan size would increase from SDR 9.5 million to SDR 10.0 million.

### (viii) The Budget

15. The 1990 Budget, following the review by the Executive Board, is proposed for approval by the Governing Council in an amount of $ 38 712 000 at an exchange rate of Lit. 1 340 to $ 1 00, plus a contingency of $ 500 000. This amount is lower by $ 196 000 in real terms than the approved 1989 budget. While most budget headings are held steady or decreased, funding for official travel is increased by 6 percent (with travel for project-related personnel increasing by 15 percent) to permit greater direct involvement by IFAD staff in project development and supervision. In a similar vein, funding 'for IFAD support to project supervision has also been increased by 25 percent.

16. While the budget thus represents essentially zero real growth (actually a slight decline in real terms), there are some significant price increases, averaging 8.7 percent. Unilateral increases by cooperating institutions have already been advised in 1989, (UNDP/OPS 12 per cent; World Bank 16.5 per cent: Arab Fund for Economic and Social Development, 1 per cent). Price increases estimated for 1990 take account of the increase in charges being applied in 1989 as well as further increases which may occur in 1990. There are also increases in staff remuneration and related allowances which take into account salary and related cost increases which have occurred or are expected to occur within the UN Common System. IFAD introduces actual increases in such payments only upon announcements from the International Civil Service Commission (ICSC) or the Rome lead agency.

## II. REVIEW OF RESOURCES AND COMMITMENTS

### Commitment Levels, 1984 to 1989

17. The following table shows the amounts of the loans and grants approved by the Executive Board for the six year period 1984 to 1989:

Table 1 - Loans and Grants (Excluding Cancellations) 1984 - 1989[1]
(expressed in SDR million - rounded)

| Approved | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|---|---|---|---|---|---|---|
| Total loans | 193 | 126 | 92 | 116 | 134 | 162 |
| Number of projects | (25) | (17) | (17) | (19) | (18) | (17) |
| Grants | 14 | 10 | 5 | 6 | 9[2] | 9[2] |
| Total loans and grants | 207 | 136 | 97 | 122 | 143 | 171 |
| Authorized | 287 | 300 | 160 | 250 | 202 | 203 |

18. The uncertainties about resource flows affected project development and loan commitments particularly in the period 1985-1988. During that period, a conscious effort was made to reduce the size of IFAD's loans and to secure substantially increased cofinancing - with the intention of assuring a continued substantial flow of resources to IFAD projects even when the level of IFAD participation was smaller. With positive movement on the Third Replenishment negotiations in 1988-89 (culminating in agreement on the Replenishment in June, 1989) the Fund is now in a position to move gradually to higher commitment levels and the proposed Programme of Work for 1990 is seen as a step in that direction.

19. The Fund has approved loans totalling SDR 162 million in 1989. In addition, technical assistance grants and project-related activities and services to Member States have been approved in the amount of SDR 9 million.

20. Table 2 shows the expected resource flow for 1989 and 1990, together with other pertinent financial information in a format which was reviewed by the Audit Committee and approved by the Executive Board at its Thirty-Sixth Session.

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[1] Not including loans and grants financed under the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification, for which there is a separate document EB 89/37/R.30.

[2] From 1988, grants include Services to Member States.

## Table 2 - Medium Term Projections of Inflows, Commitments and Disbursements

| | 1988 | 1989 | 1990 |
|---|---|---|---|
| | (expressed in SDR million equivalent) | | |
| RESOURCES, beginning of year 1/ | 197 | 250 | 205 |
| Add: overdue contributions previously excluded, paid in year 2/ | 1 | - | - |
| Deduct: further overdue contributions excluded in year | 5 | 20 | - |
| | 193 | 230 | 205 |
| CANCELLATION OF LOAN COMMITMENTS 3/ | 10 | 21 | - |
| MEMBERS' CONTRIBUTIONS 4/ | | | |
| Payments of instalments-cash | 13 | 6 | ) |
| -promissory notes | 116 | 37 | )146 |
| LOAN REPAYMENTS | 22 | 35 | 44 |
| INVESTMENT INCOME | 49 | 56 | 54 |
| LOAN INCOME | 19 | 21 | 24 |
| | 422 | 406 | 473 |
| deduct: OPERATING EXPENSES 5/ | 21 | 26 | 30 |
| TRANSFER TO GENERAL RESERVE | 4 | 4 | 4 |
| | 25 | 30 | 34 |
| | 397 | 376 | 439 |
| COMMITMENTS FOR THE YEAR: | | | |
| LOANS | 134 | 162 | 200 |
| GRANTS | 7 | 6 | 10 |
| SERVICES TO MEMBER STATES | 2 | 3 | 4 |
| | 143 | 171 | 214 |
| UNCOMMITTED RESOURCES, end of year prior to exchange adjustment | 254 | 205 | 225 |
| EXCHANGE ADJUSTMENT 6/ | 4 | - | - |
| RESOURCES end of year | 250 | 205 | 225 |
| | === | === | === |

Certain amounts have been rounded for presentation.

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1/ The "Resources, beginning of year" figures for 1988 and 1989 are from Appendix D of the Fund's Financial Statements. They have been expressed in SDR's using the actual exchange rates applicable.

2/ No payments have been inserted for 1989 and 1990 as they cannot be determined until actually received. The Fund will continue its efforts to obtain payments against overdue amounts.

3/ The amounts represent actual cancellations through November 1989. While there may be cancellations in 1990, these cannot be foreseen.

4/ The amount shown for 1990 is in accordance with the resolution on the Third Replenishment, i.e. one-third of the total amount to be received.

5/ These are the SDR equivalent of actual expenses in 1988, the projected expenses for 1989 and the Budget for 1990.

6/ The exchange adjustment is a result of the translation of items using average rates, i.e. investment income, loan income, operating expenses and using year-end rates for the beginning of year "resources". The amounts for 1989 and 1990 can only be determined on basis of actual exchange rates.

## Table 2 (continued)

| | 1988 | 1989 | 1990 | |
|---|---|---|---|---|
| | (expressed in dollar million equivalent) | | | |
| LOAN AND GRANT DISBURSEMENTS FOR YEAR | 201 7/ | 185 7/ | 200 | |
| DRAWDOWNS FOR DISBURSEMENTS | | | | |
| First tranche-January | 105 | 110 | 105 | |
| Second tranche-July | 95 | 95 | 102 | |
| Value of Members' Contributions based on exchange rates at time of calculating drawdown | | | | |
| Initial Contributions - fully drawn down | | | | |
| First Replenishment-January | 1 100 | 1 072 | 1 045 | 8/ |
| -July | 1 059 | 1 031 | 1 045 | 8/ |
| Second Replenishment-July | | | 535 | 8/ |
| Percentage drawn down | | | | |
| First tranche-January | 9.55 | 10.27 | 10.0 | |
| Second tranche-July, 1st Replenishment | 8.97 | 9.21 | 4.8 | |
| July, 2nd Replenishment | | | 9.8 | |

Certain amounts have been rounded for presentation.

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7/ Any over or under adjustment between amounts disbursed and amounts encashed is made in the subsequent drawdown.

8/ Value as at September 1989 used for future projections to conform with computations in the Executive Board document on the official drawdown for 1990.

## III. PROGRAMME OF WORK FOR 1990 1/

### 1990 Programme of Work

21. A Programme of Work of SDR 214.4 million is proposed for 1990. This amount includes approximately SDR 200 million for loans, approximately SDR 10.5 million for technical assistance grants and approximately SDR 3.9 million for Project-Related Activities and Services to Member States.

### (a) Loan Programme

22. It is planned that 20 projects will be submitted to the Executive Board for approval during 1990. This number has been set on the basis of the pipeline of projects expected to be available and the Fund's existing capacity to process projects. As noted in paragraph 1, the average loan size, which is currently SDR 9.5 million, is proposed to be increased to approximately SDR 10.0 million to achieve the planned lending level of SDR 200 million - although efforts will continue to be made to ensure adequate levels of cofinancing.

### (b) Technical Assistance Grant Programme

23. It is envisaged that SDR 10.5 million will be allocated for technical assistance grants. Up to SDR 2.5 million will be provided to Member States as grants for preparing projects suitable for IFAD financing. SDR 0.33 million will be available for the IFAD/NGO Extended Cooperation Programme, including the holding of consultations during the year. SDR 3.67 million will be necessary to continue the financing of technical assistance grants for on-going research programmes carried on by CGIAR and non-CGIAR supported International Agricultural Research Centres. As usual, actual commitments to individual centres will be approved by the Executive Board.

24. The remaining SDR 4.0 million would be for financing other technical assistance grants. These grants would be provided for supporting new regional and sub-regional agricultural research activities focussing on issues affecting IFAD's target groups. In addition, it would finance institution building and training activities, either as technical assistance grants or incorporated into projects. Such proposals, will be presented during the year to the Executive Board for its approval.

25. It will be noted that the total grants of SDR 10.5 million is within the 5% of total loans and grants limitation established by the Executive Board. Further, excluding grants for project preparation, training, institution-building and the IFAD/NGO Extended Cooperation Programme, research grants as a percentage of total commitments in 1990 will be about 3.5% of total commitments, which is in line with the decision taken by the Executive Board at its Twenty-Sixth Session.

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1/ Any reference in this document to dollars/$ refers to United States dollars.

### (c) Project-Related Activities and Services to Member States

26. Under this sub-heading, it is proposed to allocate SDR 3.9 million for various project-related activities and services indicated in the table below and described in the paragraphs that follow.

### PROGRAMME OF WORK
### PROJECT-RELATED ACTIVITIES AND SERVICES TO MEMBER STATES

Summary of 1990 Items Recording Increases/Decreases Against 1989
(expressed in $)

| | 1989 Allocation | Price Increase | Other Increases (Decreases) | 1990 Proposed Allocation |
|---|---|---|---|---|
| Identifications | 2 069 400 | 191 600 | - | 2 261 000 |
| Development of Research Programme | - | - | 150 000 | 150 000 |
| Special Programming Missions and Country Strategy Studies | 684 500 | 40 600 | - | 725 100 |
| Project Management Department Implementation Workshops | 200 000 | 11 900 | 88 100 | 300 000 |
| Monitoring & Evaluation Design and Follow-up Missions | 140 000 | 8 330 | 151 670 | 300 000 |
| Monitoring & Evaluation Activities | | | | |
| Mid-Term Evaluations | 319 200 | 19 193 | 61 607 | 400 000 |
| Completion/Ex-Post | | | | |
| (i) Project Missions | 216 400 | 12 876 | 70 724 | 300 000 |
| (ii) Evaluation/Sub-Sectoral Cross-Sectoral Studies | 132 700 | 7 896 | 19 404 | 160 000 |
| Training Activities/ Workshops/Seminars | 100 000 | 5 950 | 44 050 | 150 000 |
| M&E Methodology Research | 64 000 | 3 808 | 7 192 | 75 000 |
| M&E Short-Term Support | 52 700 | 3 373 | (6 073) | 50 000 |
| Total for M&E Activities | 885 000 | 53 096 | 196 904 | 1 135 000 |
| Total Programme of Work | 3 978 900 | 305 526 | 586 674 | 4 871 100 |
| SDR (at SDR 1/$1.29947) | 3 061 940 [1] | | | |
| SDR (at SDR 1/$1.23698) | | | | 3 937 897 [2] |

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[1] SDR 1/$1.29947 is the rate at which the 1989 Programme of Work was approved by the Thirty-Fourth Session of the Executive Board.

[2] SDR 1/$1.23698 is the rate at which the 1990 Programme of Work was approved by the Thirty-Seventh Session of the Executive Board.

### (i) Identification

27. It will be the objective of the Fund to commit at least 20 project loans as from 1990. The present pipeline of projects under consideration is currently too small to ensure that fully appraised projects will be ready on a regular basis to meet the target rate of commitment. It is important, therefore, to continue to exert every possible effort during 1990 to reinforce the project pipeline. The allocation for identification missions in 1990 is proposed at $ 2 261 000, which will allow for approximately 25 missions. Some of these missions will be general identification missions with the objective of presenting two or three project ideas from which the Fund would select the one most in line with its lending policies and criteria. Thereafter, the specific identification of a project would normally be carried out. Accordingly, the development of projects for the approval of the Executive Board will entail greater use of the general identification concept with a corresponding impact on the allocation of funds for identification missions.

28. Other options for strengthening the pipeline are being adopted. Some governments have expressed an interest in or are considering the possibility of providing resources for this purpose, which will permit the Fund to supplement its own resources in the undertaking of identification missions. As noted above, the scope of SPMs will continue to be extended so that such missions will also result in the identification of specific projects for subsequent IFAD financing.

### (ii) Development of Research Programme

29. As the Fund's project experience has evolved over the past decade, several specific problems have been identified, which need to be addressed through the work of agricultural research centres. This is necessary to enhance the efficacy of the IFAD-financed investment projects. In recognition of this fact, the Executive Board directed that the Fund must, therefore, be more actively engaged in the elaboration of these specific issues, through the formulation of viable research programmes. These would be undertaken by relevant International and regional agricultural research centres and financed under the Fund's technical assistance grants for agricultural research activities. As is the current practice, such programmes would be submitted to the Executive Board for its consideration for funding as grants to International Agricultural Research Centres, (CGIAR and non-CGIAR Centres). The Fund foresees the need to undertake the preparation of a limited number (6) of technical assistance grant proposals over a trial period of one year. This will be in addition to a careful selection of research programmes of CGIAR Centres which are of direct relevance to the Fund's lending operations. It is foreseen that the cost of each preparation would be, on average, an amount of $ 25 000 per activity i.e., a total cost in 1990 of $ 150 000.

### (iii) Special Programming Missions and Country Strategy Studies

30. Within the context of new programme development, Special Programming Missions (SPMs) are a major initiative. The terms of reference of these country programming missions include analytical, policy and development strategy formulation tasks. In addition to a profound examination of the characteristics, dimension and location of rural poverty, the analytical work of these missions invariably covers also an assessment of the resource base and present and potential resource use by the IFAD target groups. Furthermore, the missions involve a thorough review of the nature and impact of policy instruments affecting the production capacity, employment opportunities, income generation and standards of living of the rural poor.

31. Policy orientation and strategy implications for the Fund are other essential objectives of the SPMs; they also aim at assisting in the process of policy formulation and investment programming of Member Governments.

32. Although the SPMs, since their inception in 1979, have been contributing to the development of the lending programme, during 1989 further emphasis has been given to the role of these missions in the early stages of the project cycle. Consequently, in collaboration with the Project Management Department (PMD), efforts are being made to ensure that SPMs would also result, to the broadest extent possible, in proposals for different project ideas leading thereafter to specific project identification. Such proposals for future IFAD investments will be formulated within the context of lessons learned from past and ongoing Fund-financed projects.

33. By the end of 1989, 44 SPMs will have been undertaken, including five launched in 1989. Again in 1990, the missions will give great attention to analytical as well as lending programme orientation tasks - the latter both for designing appropriate projects in Member Countries and to enhance cofinancing possibilities.

34. IFAD will also undertake brief missions to Member Countries seeking to: (a) review the general thrust of IFAD's activities in the country in relation to major bottleneck areas in the development of smallholders and the rural poor; (b) assess the significance of implementation issues for both general strategy and project design; and (c) formulate guidelines for future IFAD operations in the country relative to substantive content (i.e., priority areas) and organisation (i.e., sustainability and producer participation).

35. It is proposed that $ 725 100 should be allocated for these activities. This includes $ 629 650 for four SPMs and five IFAD country strategy studies in 1990, (being approximately $ 126 000 per SPM and $ 25 000 per country strategy study), $ 66 650 for a publication on the programming missions accomplishments and $ 28 800 for temporary support services.

(iv) Implementation Workshops

36. Implementation workshops were suspended in 1988 in an effort to hold down overall costs, but were resumed in 1989. In view of their value in strengthening the project implementation capacities of some project managers, it is proposed that PMD should undertake two workshops in 1990 for a total cost of $ 300 000. The workshops will, as in the past, also include substantial coverage of M&E issues.

(v) Monitoring and Evaluation (M&E)

37. As indicated in the 1987 report to the Executive Board on IFAD's Monitoring and Evaluation activities (document EB 87/30/R.22), IFAD's concerns with M&E are grouped as follows:

(a) Assisting governments to establish Project Monitoring and Evaluation capacity through:

  (i) providing M&E design and follow-up missions to help governments establish and operate project-level (or project-supportive) M&E programmes;

  (ii) carrying out regional and national M&E training workshops;

  (iii) developing appropriate methodology for use by national governments;

(b) conducting mid-term evaluations to assist recipient governments and IFAD to determine whether projects are on-course and likely to achieve their objectives and serve those beneficiaries intended;

(c) conducting ex-post evaluations to assist recipient governments and IFAD to determine overall effectiveness of projects in meeting their objectives and to learn lessons for future project design;

(d) undertaking cross-cutting evaluations to obtain a better understanding of sub-sectoral issues; and

(e) undertaking M&E research and publications.

38. An amount of $ 300 000 is proposed for 1990 to cover the cost of design and follow-up missions to 25 national-level M&E units. This activity will continue to be carried out by the PMD with technical support from the M&E Division.

39. The proposed allocation for all other M&E activities to be managed by the M&E Division is $ 1 135 000 , an increase of $ 250 000 compared with 1989. This increase reflects mainly the greater emphasis on quality following the setting up of the Evaluation Committee. Evaluation missions will tend to be larger and will include higher-profile consultants in order to grasp better, in a more interdisciplinary manner, the rural development processes triggered by IFAD projects and to draw relevant lessons for future activites.

## IV. THE 1990 BUDGET - Category Totals

40. The 1990 Budget represents virtually zero growth, providing for only an escalation over the 1989 Budget by the amount of expected price increases. There is a real increase in only one category, Other Operational Expenses, $ 32 000, and this is to provide for additional duty travel. In all other budget categories, there are real decreases, resulting in a net real decrease of $ 196 000, and these are discussed in the appropriate sections that follow.

41. The total Budget for 1990 is proposed at $ 39 212 000 (including a $ 500 000 contingency) on the basis of the rate of exchange for the 1989 Budget of Italian Lire 1 340/$ 1.00, which rate was approved by the Twelfth Session of the Governing Council. This represents an increase of $ 2 876 000 over 1989 or 7.9%, all of which represents price increases. It is not possible to identify this percentage with any single inflation rate, either in the head office location or elsewhere. The estimates are built up for each type of expenditure using appropriate factors, including the experience of the past year and current trends.

42. The price increase provisions made in the Budget take into account all known facts such as movements in indices, the impact of any survey on General Service salaries, announced increases in charges by cooperating institutions, suppliers and utilities, negotiated contracts and other factors which have influenced costs, including those incurred outside the headquarters location. The principal elements are as follows:

(a) unless otherwise specifically referred to, a general inflation rate of 6.4% has been applied to all Italian Lire expenses (based on the ISTAT index) and 5.5% to all other expenses reflecting general inflationary trends;

(b) the increase for professional and general service remuneration represents a budgetary provision which has been estimated on the following factors which are all based on UN Common System practice. Consistent with such practice, actual increases will be implemented during the year only in accordance with directives of the ICSC and in unison with other UN agencies in Rome:

(i) a provision of 3% on base salaries to cover annual within grade step increases and where applicable movements in grade;

(ii) a provision of 10% for general service cost of living increases which may be awarded during the period April 1989 to December 1990 (7.2% of which has already been awarded in June 1989);

(iii) possible movement in post adjustment for professional staff, which over the period May 1989 to December 1990 is estimated at 3.3%;

(iv) Increases in education grants and dependency allowances which were already announced in 1989;

(v) an increase of approximately 2% of Net Base Salaries has been applied to Pension Contributions to allow for a possible increase in the Professional Pensionable Remuneration. Medical Plan contributions are once again expected to rise significantly and an allowance of 0.54% of Net Base Salary has been made;

(vi) in accordance with UN Common System practice, repatriation and termination payments require the updating of accrued benefits to the latest salary level of staff in service. As in previous years, provision has been made for 6.5% of net base salaries for professional staff and 14% for general service staff. The price increase is proportionate to the increases provided for salaries;

(c) for travel, an increase of approximately 10% has been applied to air fares and a general 6.4% for hotel and other expenses applicable to all countries except Italy where a 13% increase is expected;

(d) increases in the charges for man-years for work done by certain cooperating institutions were notified during 1989 and will impact both 1989 and 1990 expenditures. These increases have a weighted average of 14% and are built into the estimated costs of the operations and are more fully described in Section VII.

The individual categories are discussed in greater detail in the following Sections V to IX inclusive, with explanations for significant variances.

## Table 3 - Comparison of 1990 Budget with 1989 Budget
(expressed in $ '000) 1/

| | 1989 Budget | Price 2/ Increase | Other Increase (Decrease) | Proposed for 1990 |
|---|---|---|---|---|
| 1. Governing Bodies & Other Official Meetings | 2 470 | 191 | (111) | 2 550 |
| 2. Staff Costs | 15 975 | 1 421 | (14) | 17 382 |
| 3. Payments to Cooperating Institutions & Consultants for Appraisal and Supervision | 10 170 | 997 | (30) | 11 137 |
| 4. Office and General Expenses | 4 290 | 269 | (73) | 4 486 |
| 5. Other Operational Expenses | 2 531 | 194 | 32 | 2 757 |
| | 35 436 | 3 072 | (196) | 38 312 |
| 6. Other Items: | | | | |
| (a) Expenses on the New Headquarters Building | 400 | | | 400 |
| (b) Contingency | 500 | | | 500 |
| Total | 36 336 | | | 39 212 |

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1/ Italian Lire expenditure has been converted at Lit. 1 340/$ 1.00, the approved rate for 1989, throughout the document. The definitive rate of exchange will be set at the time when the Thirteenth Session of the Governing Council approves the Budget.

2/ For an explanation of the basis for price increases see paragraph 42.

## V. GOVERNING BODIES AND OTHER OFFICIAL MEETINGS

43. This category represents the costs of the Fourteenth Session of the Governing Council, three sessions of the Executive Board, one session of the Evaluation Committee of the Executive Board for a duration of two days and three High-level Intergovernmental Committee Meetings of two days each.

44. As in previous years, additional translation capacity is provided as required for governing body meetings, by recruiting up to seven professional translators on recurrent contracts to increase the level of 3 translators who are members of IFAD's regular staff. The total estimated cost of translation of the documentation, to ensure its availability in 4 languages, of $ 1 272 000 (1989 - $ 1 220 000) is included in the figures provided in Table 4.

45. The overall reduction in this budget category in real terms is $ 111 000.

## Table 4
(expressed in $ '000)

| GOVERNING BODIES AND OTHER OFFICIAL MEETINGS | 1989 Budget | Price Increase | Other Increase (Decrease) | 1990 Budget |
|---|---|---|---|---|
| a) Governing Council | | | | |
| Professional Staff Salary/Allowance/ Subsistence: Interpreters, Translators and Other | 172 | 11 | 4 | 187 |
| Temporary Support Staff Salary/ Allowance/Subsistence | 172 | 11 | (2) | 181 |
| Travel Expenses | 61 | 5 | 1 | 67 |
| Communications, Security and Other Services | 103 | 7 | (7) | 103 |
| Supplies, Printing and Miscellaneous | 89 | 5 | (11) | 83 |
| | 597 | 39 | (15) | 621 |
| b) Executive Board | | | | |
| Professional Staff Salary/Allowance/ Subsistence: Interpreters, Translators and Other | 756 | 62 | 13 | 831 |
| Temporary Support Staff Salary/ Allowance/Subsistence | 448 | 40 | (106) | 382 |
| Travel Expenses | 77 | 7 | 0 | 84 |
| Executive Directors - Travel and Subsistence | 78 | 8 | 0 | 86 |
| Communications, Security and Other Services | 45 | 3 | (2) | 46 |
| Supplies, Printing and Miscellaneous | 14 | 1 | (3) | 12 |
| | 1 418 | 121 | (98) | 1 441 |
| c) Evaluation Committee | 77 | 6 | 2 | 85 |
| d) Meetings on Future Financial Basis High-level Intergovernmental Committee | 378 | 25 | 0 | 403 |
| GRAND TOTAL MEETINGS | 2 470 | 191 | (111) | 2 550 |

## Fourteenth Session of the Governing Council

46. In response to requests from Member Governments, it is planned to reduce Governing Council Sessions from four to three days, starting with the Fourteenth Session. Accordingly, cost estimates for this session, after allowing for the price increases, have been reduced appropriately, (those relating to fixed expenses unchanged but certain variable elements which are proportionate to the number of days, reduced by 25%) with a total reduction of $ 24 000 spread among the detailed items in part (a) of Table 4. However, allowance had to be made for an increase of $ 9,000 for an additional team of interpreters to service simultaneous category meetings, since experience has indicated that two teams have proved inadequate in past sessions. The net reduction is therefore $ 15 000. The estimated cost in 1990 of translation of the documentation to ensure its availability in four official languages is $ 134 000.

## Executive Board

47. There is an increase of $ 13 000 for Professional Staff hired for the translation of Executive Board documentation due to the increased difficulty in obtaining the services of translators locally. A reduction of $ 106 000 in Temporary Support Staff is due to the provision for three additional language typists no longer being considered necessary. The costs of documentation have been calculated on the basis of 650 pages for each session. The estimated cost in 1990 of translation of the documentation, to ensure its availability in the four official languages, is $ 964 000.

## Evaluation Committee of the Executive Board

48. The estimated cost for the Evaluation Committee has been calculated on the basis of one session of two days. Included therein is the cost of translation of the documentation, to ensure its availability in the four official languages, $ 56 000. There is a small real increase of $ 2 000 due to a change in the proportion of non-locally recruited staff.

## Meeting on Future Financial Basis

49. No allocation is being made for the Consultation on the Third Replenishment of IFAD's Resources as the work has been completed. The estimates for the High-level Intergovernmental Committee (HLIC) sessions to be held in 1990 are based on three sessions, each of two days but with one day added for informal category meetings. As with the Governing Council, past experience has indicated the need for an additional team of interpreters, which would have resulted in a real increase of approximately $ 26 000. However, other costs have been contained and no real increase is being proposed. The estimated cost in 1990 of translation of the documentation, to ensure its availability in the four official languages, is $ 118 000.

# VI. STAFFING AND STAFF COSTS

## A. Introduction

50. When presenting the Programme of Work and Budget to the Ninth Session of the Governing Council in January 1986, the President informed the Council of his intention to undertake a review of the Fund's organization and staffing requirements. A preliminary study was carried out in October 1985 which essentially examined the new positions proposed in the 1986 Budget. Plans have now been made to commence the broader Study in early 1990. It will be recalled that at the Twelfth Session of the Governing Council in January 1989, the Government of Canada kindly offered to finance a part of this study. However, the conclusions of the study will clearly not be available for action in the Budget for 1990.

51. Meanwhile, the President believes that certain essential staff needs have to be addressed in the Budget for 1990:

- first, the remaining 8 TIL positions (Temporary in Lieu of Permanent Employment) should be established as regular positions within the concept explained in the 1988 and 1989 Budgets, and which the Executive Board approved;
- second, is the creation of 5 new professional and 4 general service positions, which the President feels are already of high priority and represent a continuing requirement. However, the Executive Board decided that while provision should be made for all these positions in the 1990 Budget, appointment of only 2 professional and 3 general service positions should proceed upon approval of the Budget, leaving the remaining positions to be activated only after the Board reviews a first interim report on the Organizational and Staffing Study during its Thirty-Ninth Session in April 1990.

These matters are discussed more fully in the following sections.

## B. Conversion of Temporary Positions (TIL) into Regular Positions

52. The Executive Board and the Governing Council have recognised in the context of budgets for preceding years that the functions of the Fund required additional personnel services on both a long-term and short-term temporary basis, and additional funding has been provided in those budgets for this purpose. While budgetary allocations for temporary employees have been fully accepted by the governing bodies over these years, it was only in the 1986 Budget that a specific listing was made of the number of long-term professional and general service employees considered to be Temporary in Lieu of Permanent Employment (TIL).

53. Within the context of the 1986 Budget, formal recognition was given to 4 professional and 25 general service TIL positions as a continuing and essential requirement to permit the Fund to carry out all its operations. It was further accepted that these TIL positions should be converted to regular employment status over time. However, no action was taken in the 1986 and 1987 Budgets to change their status because negotiations on the Second Replenishment were still in progress. With the successful conclusion of these negotiations, and the very positive attitude expressed on the Fund's future financial basis and structure, the President recommended in the 1988 Budget document that this matter should be addressed. The Executive Board supported this recommendation and the Budget was approved by the Governing Council on that basis.

54. Accordingly, in 1988, 2 professional and 8 general service positions were converted from TIL to established status. Similarly in 1989, a further 9 general service positions and the remaining 2 professional positions were so converted.

55. Therefore, in the context of the 1990 Budget it is proposed that the remaining 8 general service positions be converted to established status. There is no significant financial impact in this proposal, since costs for these will shift from long-term temporary to regular staff allocations.

### C. New Positions urgently required for 1990

56. With the conclusion of the agreement on the Third Replenishment of IFAD's resources, it is necessary for the Fund to gear itself to an increased pace of various activities. The conclusions of the planned Organization and Staffing Study are not likely to lead to implementable recommendations until 1991. Delaying consideration of any additional staff requirements until then would have serious implications on the present workload of certain divisions and their ability to carry out the full range of functions in an efficient manner. The President proposed to the Executive Board the establishment of five new professional positions which he considers are essential and therefore should be established even prior to completion of the study. The President also proposed four new general service positions, all of which are to support those areas where the Executive Board had authorized increased professional capacity in previous years. There is virtually no financial implication for the proposed general service positions since the functions were provided in 1989 under the allocation for short-term temporaries and are now included in the allocation for regular staff. Further details of these positions are given in the following paragraphs.

57. Project Controller - Near East and North Africa Division. At present, this division has a portfolio of 42 projects, 13 of which have been closed. By the end of 1989, its portfolio is expected to increase by five new projects. Consequently, the Division which has four project controllers has the highest ratio of projects per Project Controller within the PMD Regional Divisions: 8.5 projects per Project Controller. In addition to the Regular Programme and the Special Programme for Africa (SPA), the Division is also involved in the Belgian Survivial Fund (BSF) Programme (three projects). At the same time, the division is undertaking more of its own identification missions as well as some appraisals. It must also supplement the supervision activities undertaken by the cooperating institutions. Further, it provides substantial support to the Technical Unit in terms of preparation, follow-up and supervision of some Technical Assistance Grants, and its staff members participate in various training courses and evaluation of activities. In order to alleviate the Division's resultant heavy burden, it is proposed that an additional Project Controller be approved for this division.

58. Project Implementation Officer - Loan Implementation Unit. The Executive Board recently directed that IFAD should become increasingly involved in following up the implementation of its projects so as to ensure that the benefits of such projects accrue to the intended target groups and that the Fund's specificities are maintained throughout implementation. Although the regional divisions are the front line in

dealing with implementation issues, the Loan Implementation Unit has an increasingly large function in supporting the regional divisions' implementation concerns. While the Fund's loan portfolio has increased substantially since 1982, no commensurate increase in staff has taken place in this unit (other than conversion of a professional TIL position to regular employment status). Furthermore, an increasing number of projects have entered an advanced stage of implementation or are nearing completion. Such projects require greater attention and thus absorb more staff time than in earlier years when the portfolio consisted of early-stage projects, the majority of which were cofinanced. The Loan Implementation Unit, which acts as a support service both to the Regional Dvivisions and to the Assistant President of the Project Management Department, carries out systematic reviews and analyses of the implementation status of ongoing projects; reviews and follows up the implemenatation of problem projects; participates in supervision missions and project completion exercises and assists in the conduct of project implementation workshops.

59. In order to ease the burden on the small staff of the Unit and to enable it to carry out quality work in the area of project implementation and support, it is proposed that an additional Project Implementation Officer be approved, thus bringing the number of such officers to four, which allow for one officer to support work in each of IFAD's regions.

60. Policy Analyst - Policy Review Division. In recent years, the Policy Review Division's policy analysis work has appreciably increased and substantive support for backstopping for the President's and IFAD's participation in international fora has also increased. In addition, the Division proposes to bring out periodic publications on the global status of rural poverty as well as in-depth statistical analyses of IFAD's operations. The Annual Report itself has expanded in dimension in terms of analysis and coverage. The Division is also increasingly taking part in international meetings and field missions. All of the above require substantive backstopping research work. While the Division was strengthened in 1989 by the addition of another Senior Economist, which position will be filled before the end of 1989, the work of these senior officials would be enhanced by the availability of a research/policy analyst. It is therefore proposed that a Policy Analyst position be approved.

61. The Division's professional staff will now increase to five fixed-term positions and consultants on special assignments. In line with the increasing workload and responsibilities of the Division, the present arrangement of two secretarial support staff is insufficient to support the Division's work. It is therefore proposed that a general service position of Bilingual Stenographer/Wang Operator be approved.

62. External Relations Officer - External Relations Division. This division has for some years been staffed by two professionals and a long-term consultant. In view of the important responsibilities of the division and the continuing need to strengthen IFAD's working relations with Member States and regional organizations, it is proposed to maintain the professional strength of the division by adding a budget position in lieu of the consultant. Accordingly, there is no financial impact on the budget since there is a corresponding reduction provided under "Professional Services" (see paragraph 90 (iv)).

63. Treasury Officer - Treasury. Three factors relating to the scope and volume of investment activity in Treasury have contributed to a larger and more diverse workload requiring additional professional support:

(a) the investment portfolio has nearly doubled in the last five years and the number of investment transactions has similarly increased;

(b) in addition to the Regular Resources, Treasury has the responsibility for managing funds for special programmes and activities such as the Special Programme for Africa, the Belgian Survival Fund, participation agreements, grants, etc.. These funds must be separately invested, monitored and disbursed ;

(c) as approved by the Executive Board and in accordance with decisions of the Investment Advisory Committee, Treasury has been involved in active portfolio management. The search for and analysis of bond switching opportunities, as well as the actual switching transactions, have added to the division's workload.

64. There are currently only two professional positions in Treasury. The Treasurer himself concentrates on the investment programme and overall management of Treasury operations. The existing Treasury Officer is required to devote considerable time to general finance functions, such as payments for loan disbursements and for administrative expenses, status of Members' contributions including extensive correspondence related thereto, and preparation of more complex investment reports for the Executive Board, as proposed to the Thirty-Sixth Session (document EB 89/36/R.7). Thus, an investment portfolio of close to $ 1.0 billion is largely managed by one professional - the Treasurer - who is also involved in other functions and has responsibility for the entire operation.

65. Therefore, to maximise income from active portfolio management, the addition of one new junior professional is recommended. The extra cost will be fully justified by additional investment income that will result from the increase in investment opportunities and by the need to ensure more adequate control on the investment portfolio.

66. Secretary - Technical Advisory Unit. The Unit provides technical backstopping of IFAD's project work at all stages, identification, preparation, appraisal, and with regard to supervision, evaluation and completion project reports. Furthermore, it develops the pipeline for technical assistance grants related to agricultural research. With an increasing number of projects under implementation, in addition to projects being developed for the pipeline, the demand and volume for technical input by the various Divisions to all aspects of IFAD projects has increased substantially. Consultants have been employed in order to cope with the volume of work on hand. Two additional recent appointments of professionals have been made, one advisor on Women in Development and another on Nutrition, financed from extra budgetary resources. The additional workload needs to be supported by the service of one additional general service staff (Clerk/Typist) which is therefore proposed.

67. Arabic Language Secretary - Information Unit. Over the years, the Information and Commmunications Division has been functioning with only two fixed-term secretaries to work for the Director of the Division and up to 4 Information Consultants. With the appointment of a professional staff member working in Arabic, the services of an Arabic/English secretary are required. An additional support staff will also alleviate the already heavy workload carried out by this unit.

68. Secretary - Monitoring and Evaluation Division. This division has grown in recent years to 5 professionals, 2 Associate Experts and occasional consultants, who are serviced by only 4 support staff. The Workload of the Division has increased following the setting-up of the Evaluation Committee. There is a cumulative increase in the number of projects subject to evaluation which need review in order to select those for evaluation. The Division will play an increasing rôle in adapting the lessons learned from evaluation into project design. A stronger secretarial back-up is necessary to support the increased professional staff and to respond adequately to these requirements and an additional secretary is therefore proposed.

69. The Executive Board had considerable discussion on these proposed new positions. While the Board was satisfied that the positions were fully justified, some Members felt that the positions should be considered within the context of the planned Organization and Staffing Study and requested that the first phase of the Report on that Study should be available to the Board as early as possible in 1990. The Board agreed that provision for all nine positions should be included in the Budget but that the President should proceed with the appointment of only two Professional posts - that for the Near East and North Africa Division and for the Loan Implementation Unit - and three new General Service posts - one each for the Information and Communications Division, the Technical Advisory Unit and the Monitoring and Evaluation Division. The Board proposes that the other three Professional and one General Service posts should be provided for in the Budget on the understanding that these will not be activated until the Executive Board has had an opportunity to review the preliminary findings of the Report on IFAD's Organizational and Staffing Requirements in April 1990.

## D. Summary of Staffing Proposals

70. In summary, the proposals made above would have the following impact on approved staffing patterns:

| | Established Positions | TIL |
|---|---|---|
| **Professional Staff** | | |
| Authorised - 1989 | 96 | NIL |
| Additional positions see paragraphs 57, 58, 60, 62, 63 | +5 | |
| Total proposed for 1990 | 101 | NIL |
| **General Service Staff** | | |
| Authorised - 1989 | 129 | 8 |
| Proposed additional positions see paragraphs 61, 66, 67, 68 | +4 | |
| Conversion of TIL to established positions | +8 | -8 |
| Total proposed for 1990 | 141 | NIL |
| GRAND TOTAL | 242 | NIL |

## E. Staff Costs

71. Having discussed various matters concerning the staff requirements for 1990, this section deals with the costs, tracing the amounts approved for 1989 with price and other increases, to arrive at the estimated costs for 1990. Table 5 indicates the main elements of cost and there follow explanatory notes on each of these.

Table 5
(expressed in $ '000)

| STAFF COSTS | 1989 Budget | Price Increase | Other Increase (Decrease) | Paragraph Reference | 1990 Budget |
|---|---|---|---|---|---|
| Established Positions | | | | | |
| Salaries and Post Adjustment | 10 101 | 637 | - | (a) | 10 738 |
| Education Grant & Other Allowances | 864 | 237 | (28) | (b) | 1 073 |
| Pension & Medical Plan Contributions | 2 398 | 354 | - | (c) | 2 752 |
| Home Leave | 311 | 30 | 4 | (d) | 345 |
| Repatriation & Termination Payments | 773 | 57 | - | (d) | 830 |
| Relocation, Recruitment & Training | 412 | 20 | - | (e) | 432 |
| | 14 859 | 1 335 | (24) | | 16 170 |
| Short-term Temporaries | 977 | 77 | - | (f) | 1 054 |
| Overtime | 139 | 9 | 10 | (g) | 158 |
| GRAND TOTAL STAFF COSTS | 15 975 | 1 421 | (14) | | 17 382 |

### (a) Established Positions Net Base and Post Adjustment

72. Included herein is the estimated 1990 cost of the presently authorized 225 staff positions, based on the actual salaries paid in April 1989. Also included are 8 converted TIL positions which have been moved for both 1989 and 1990 from the temporary employee budget category for easier comparison. Similar adjustments have been made for these positions in the other components of staff costs below. For professional salaries provision is made for a within grade step increase of approximately $ 120 000 and an estimate for the increase in post adjustment of $ 131 000 (3.5%). For General Service (GS) salaries, provision is made for within grade steps, $ 109 000, and one cost of living increase, $ 228 000. The dependency allowances for both Professional and General Service Staff were increased in 1989 and while not reflected in the 1989 Budget, have to be fully provided for in 1990 - $ 49 000. Total price increases amount to $ 637 000, which is a 6.3% increase over the 1989 provision.

73. In the column other increases(decreases) is the net base and post adjustment cost for part of a year, $ 359 000, for the five new professional and four new general service positions requested for 1990. However, this has been fully compensated for by aligning the estimates more closely to the actual costs experienced in 1988 which anticipates some savings related to vacant posts.

### (b) Education Grants, Assignment and Other Allowances

74. A price increase of $ 237 000 reflects the increase in education grant from a maximum of $ 4 500 to $ 6 750 per child, excluding education travel costs. Although this reflects an increase of 50%, a portion was already provided for in the 1989 Budget. The impact on the 1990 Budget has been held at 27.4% over 1989. The real decrease of $ 28 000 reflects the reduction in the number of children benefitting from the grant and the phasing out of the Assignment Allowance to staff members.

### (c) Pension and Medical Insurance Contributions

75. Effective 1 July 1989, IFAD's contributions to the United Nations Joint Staff Pension Fund increased to a total of 15% of Pensionable Remuneration, in accordance with the decision of the General Assembly. Further, it is anticipated that the scale of Pensionable Remuneration will increase by 5% in 1990. A further 7% has been calculated for Medical Insurance contributions. Pension and Medical Plan contributions are now estimated at approximately 36.5% of net base salaries as compared to 33.4% in 1989. The total price increase under this heading is thus estimated at 14.8% over 1989 or $ 354 000.

### (d) Home Leave, Repatriation and Termination

76. In the case of Repatriation and Termination, the amount of the provision is required to be annually updated since all payments on separation are by reference to the latest level of salaries. Based on actual salaries for April 1989, Repatriation and Termination payments are estimated at $ 818 000 for 1990. A price increase of $ 30 000 has been estimated for Home Leave which is related to air ticket costs and the real increase of $ 4 000 corresponds to one additional entitlement in 1990.

### (e) Relocation, Recruitment and Training

77. Relocation costs, which are related to vacant posts in that they provide for settlement and moving costs, have been held at the 1989 level in real terms despite the expected increase in recruitment activity and the new professional staff being proposed. Training expenses have also been held at the same level but if additional amounts are necessary, the President will make internal re-allocations.

### (f) Short-term Temporaries

78. The total amount of $ 977 000 for 1989 has been adjusted only for price increases.

### (g) Overtime

79. A slight increase of $ 10 000 has been made in real terms, related to the increased workload of general service staff.

## STAFF LEVELS AS OF OCTOBER 1989

(Incorporating the proposals made in paragraph 56)

| | Professional and Higher Grades | | | | | | | | Support Staff | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | AP | D2 | D1 | P5 | P4 | P2/3 | New Posts | TOTAL | Existing Posts | New Posts | Converted TIL | TOTAL |
| PRESIDENT'S OFFICE (a) | - | - | - | 2 | - | - | - | 2 | 5 | - | - | 5 |
| PROJECT MANAGEMENT DEPARTMENT | | | | | | | | | | | | |
| Asst. President | 1 | - | - | - | - | - | - | 1 | 1 | - | - | 1 |
| Africa | - | 1 | 1 | 4 | 5 | 2 | - | 13 | 5 | - | 3 | 8 |
| Asia | - | 1 | - | 3 | 4 | - | - | 8 | 5 | - | - | 5 |
| Latin America | - | - | 1 | 1 | 4 | - | - | 6 | 4 | - | - | 4 |
| N. East & North Africa | - | 1 | - | 3 | 1 | - | 1 | 6 | 4 | - | - | 4 |
| Loan Implementation | - | - | 1 | 2 | 2 | - | 1 | 6 | 4 | - | - | 4 |
| Technical Unit | - | 1 | - | 3 | - | - | - | 4 | 3 | 1 | - | 4 |
| Total PMD | 1 | 4 | 3 | 16 | 16 | 2 | 2 | 44 | 26 | 1 | 3 | 30 |
| ECONOMIC & PLANNING DEPARTMENT | | | | | | | | | | | | |
| Asst. President | 1 | - | - | - | - | - | - | 1 | 1 | - | - | 1 |
| Policy Review | - | - | 1 | 2 | - | 1 | 1 (c) | 5 | 4 | 1 (c) | - | 5 |
| Planning/Economic | - | - | 1 | 4 | - | - | - | 5 | 3 | - | - | 3 |
| Monitoring/Evaluation | - | - | 1 | 3 | 1 | - | - | 5 | 3 | 1 | 1 | 5 |
| Total EPD | 1 | - | 3 | 9 | 1 | 1 | 1 | 16 | 11 | 2 | 1 | 14 |
| GENERAL AFFAIRS DEPARTMENT | | | | | | | | | | | | |
| Asst. President | 1 | - | - | - | - | - | - | 1 | 1 | - | - | 1 |
| Secretary's Office | - | 1 | - | 3 | 2 | - | - | 6 | 16 | - | - | 16 |
| External Relations | - | - | - | 1 | 1 | - | 1 (c) | 3 | 3 | - | 1 | 4 |
| Info. & Communications | - | - | 1 | - | - | 2 | - | 3 | 5 | 1 | - | 6 |
| Administrative Services | - | - | - | 1 | - | 2 | - | 3 | 24 | - | 1 | 25 |
| Management Info. System | - | - | - | 1 | 2 | 3 | - | 6 | 3 | - | - | 3 |
| Total GAD | 1 | 1 | 1 | 6 | 5 | 7 | 1 | 22 | 52 | 1 | 2 | 55 |
| LEGAL SERVICES | - | 1 | - | 1 | 2 | 1 | - | 5 | 3 | - | 1 | 4 |
| TREASURY | - | - | - | 1 | - | 1 | 1 (c) | 3 | 4 | - | - | 4 |
| CONTROLLER'S OFFICE (b) | - | - | 1 | - | 2 | 4 | - | 7 | 22 | - | - | 22 |
| PERSONNEL | - | - | - | 1 | 1 | - | - | 2 | 6 | - | 1 | 7 |
| **GRAND TOTAL** | 3 | 6 | 8 | 36 | 27 | 16 | 5 | 101 | 129 | 4 | 8 | 141 |

(a) The President and the Vice-President are not included in the staffing figures.

(b) Includes Loans Section.

(c) No appointment will be made against these positions until the Executive Board has reviewed a preliminary report on the Organization and Staffing Study and has approved proceeding with recruitment.

## VII. PAYMENTS TO COOPERATING INSTITUTIONS AND CONSULTANTS FOR APPRAISAL AND SUPERVISION

80. This category of expenses includes the charges to be made by cooperating institutions and the cost of consultants for the appraisal of new projects and the supervision of the implementation of loans and grants already approved. The category also includes the cost of short-term temporary clerical help which is engaged specifically for the production of appraisal and supervision reports.

81. As explained more fully in paragraph 85 below, the number of active projects requiring supervision is expected to be lower in 1990 than in 1989 and thus in real terms, the charges by cooperating institutions for supervision will be lower. However, it is clear that IFAD must be even more actively involved in supervision than ever and thus the Budget proposes an increase in the real costs of IFAD supervision follow-up. In addition, while this category does not include the costs of regular and fixed-term staff in the Project Management Department (including travel) which are devoted to project supervision, the budget does include under other appropriate categories, substantial resources to permit IFAD staff to be more actively engaged in this process.

82. Charges are made by cooperating institutions for the costs incurred by them for carrying out IFAD's work and IFAD has little direct capacity to constrain the costs incurred by these institutions. IFAD also depends on consultants who are employed to carry out some missions. In the case of IFAD-engaged consultants, IFAD can seek to keep average consultant fees as low as possible. Ceilings are imposed for consultant rates at levels much lower than those provided by cooperating institutions. Careful control is exercised over negotiations of contract rates and as far as possible, consultants are hired individually and not as employees of firms.

83. As has been explained in past budgets, the estimation of costs to be incurred is difficult due to the variety of cooperating institutions with different charges and related factors. However, Table 6 provides an analysis of the estimates of needs for appraisal and for supervision of implementation of loans and research grants, distinguishing between estimated charges of cooperating institutions and estimated amounts to be paid to consultants, experts and support.

84. Twenty-three appraisals are currently planned for 1990, for an estimated overall cost of $ 4 757 000 compared with $ 4 360 600 for 1989. Project appraisals are usually entrusted to the cooperating institutions. However, to ensure the specificity of IFAD projects, IFAD has undertaken a limited but increasing number of appraisals by itself or by participating with the cooperating institutions. In recent years, IFAD has, for a variety of reasons, entered into more cooperation agreements to widen the field of institutions serving IFAD's appraisal and supervision needs. This has also led to some instances where it has been considered desirable for IFAD staff or IFAD-employed consultants to participate more actively in such missions to assure the most satisfactory results. As a result the actual expenses in 1988 and the first half of 1989 have indicated a definite trend towards a higher proportion of appraisal work being carried out by IFAD consultants even when cooperating institutions retain responsibility for such appraisals, as well as some increase in the number of appraisals for which IFAD takes full responsibility. This is now reflected in the 1990 estimates. In view of the substantial increases in charges decided unilaterally by cooperating institutions (paragraph 86), this lesser dependency on staff from cooperating institutions is proving to be a cost-effective trend because of the high charges per man-year and overhead costs billed by these institutions compared with the stringent limits placed on fees of consultants hired by IFAD.

85. As the projects which most directly respond to IFAD's mandate mature, or approach mid-term or completion stage, the task of supervision of implementation becomes more crucial to assure their successful implementation and the effective attainment by the beneficiaries of project objectives. Since IFAD entrusts the responsibility for loan administration and supervision to its cooperating institutions and with an increasing number of IFAD-initiated projects under implementation (out of its active portofolio, 74% are IFAD-initiated), the cost of supervision will absorb a large portion of IFAD's administrative budget, although the number of projects under implementation for which charges will be received is expected to decrease from 128 in 1989 to 114 in 1990 due to the closing of some projects. The budget is based on the assumption the projects will be closed on schedule and that extensions of closing dates, if any, will not entail supervision missions beyond the period anticipated. Accordingly, a real decrease of $ 330 000 has been made in respect of the estimated lower number of projects being supervised.

86. However, the estimated average cost per operation is expected to increase as a result of the escalation in the charges made by cooperating institutions. The Office for Project Services of UNDP had advised IFAD of an increase of 20% in its charges for 1989 but this was later reduced to 12%. The World Bank, which conducts the largest number of appraisals and supervision missions, increased its charges by 16.5% from 1 July 1988 and a further increase of 14% was made from 1 July 1989. The Arab Fund for Economic and Social Development, after seven years of charges at a constant level, has understandably found it necessary to increase them to a more realistic level, which in effect will mean a 17% increase from 1 January 1990. Other institutions have also advised increases although

not of such magnitude. The amounts anticipated for increase in charges in the Budget for 1989 was no more than the standard rate of inflation, 5% and therefore some of these increases will impact 1989. In any event, provision must be made in 1990 for these increased costs which are estimated to average 14%. Therefore, the allocation for payments to cooperating institutions includes a price increase of $ 700 000.

87. In an effort to strengthen the Fund's active involvement in the project and technical assistance grant implementation processes, IFAD increasingly participates in supervision missions through the use of staff and consultants. IFAD has instituted improved procedures for identifying and reviewing problem projects and for taking action to ensure their proper implementation. These problem projects need more intensive supervision and follow-up for which the presence of IFAD staff or consultants is necessary. Furthermore, the Fund should aim at participating in the supervision of all IFAD-initiated projects because of their specificity. Therefore, participation will move up somewhat from the present level of 55%, and an increase of $ 200 000 has been allowed for in the 1990 Budget from the 1989 amount of $ 810 000.

## VIII. OFFICE AND GENERAL EXPENSES

88. This category of the budget groups the expenses of running the Headquarters premises and related facilities/services, communications expenses, office equipment/supplies and computer services. It also includes the cost of certain professional services which are of an administrative nature, rather than programme related (e.g. external auditors fees, legal fees, technical services, etc.); as well as certain other expenses including hospitality, library, the shared cost of the office facilities at the UN and United Nations Information Centre (UNIC) and charges for miscellaneous services.

Table 7
(expressed in $ '000)

OFFICE AND GENERAL EXPENSES

| (SUMMARY) | 1989 Budget | Price Increase | Other Increase (Decrease) | 1990 Budget |
|---|---|---|---|---|
| (a) Headquarter Expenses | 3 226 | 207 | 25 | 3 458 |
| (b) Professional Services | 799 | 47 | (68) | 778 |
| (c) Miscellaneous | 265 | 15 | (30) | 250 |
| | 4 290 | 269 | (73) | 4 486 |

### (a) Headquarters Expenses

89. The Budget provides for a price increase of 6.4% over the 1989 approved figure of $ 3 226 000, or $ 207 000. Continuing a trend of cost reductions which were effected in the 1988 and 1989 Budgets some further reductions have been made in certain items, but where necessary, increases are also provided for. The net real increase of $ 25 000 is largely attributable to the planned higher costs for MIS/Word Processing development for which a total real increase of $ 88 000 is projected; much of this real increase is offset by other savings in headquarters expenses.

Table 7 (a)
(expressed in $ '000)

| OFFICE AND GENERAL EXPENSES | 1989 Budget | Price Increase | Other Increase (Decrease) | Paragraph Reference | 1990 Budget |
|---|---|---|---|---|---|
| (a) Headquarter Expenses | | | | | |
| Security & Custodial Services | 166 | 11 | 0 | (i) | 177 |
| Communications | 671 | 43 | (63) | (ii) | 651 |
| Utilities & Premises | 651 | 42 | 25 | (iii) | 718 |
| Supplies & Printing | 294 | 19 | 13 | (iv) | 326 |
| Office Equipment & Maintenance | 242 | 15 | (24) | (v) | 233 |
| Financial Computer Services | 163 | 10 | (28) | (vi) | 145 |
| Word Processing & MIS | 951 | 61 | 88 | (vii) | 1 100 |
| Other | 88 | 6 | 14 | (viii) | 108 |
| | 3 226 | 207 | 25 | | 3 458 |

(i) Security and Custodial Services. In 1989 a substantial reduction was made through a reduced level of services and a reorganisation of staff workload. This reduced level will be maintained in 1990 so the Budget provides for expected inflation of 6.4% only.

(ii) Communications Expenses. Based on the trend of actual expenses in 1988 and 1989, it is evident that the 1989 Budget is over-provided and a real decrease is estimated for 1990 of $ 63 000. At the same time provision is made for inflationary increases of $ 43 000 (6.4%).

(iii) Utilities and Premises. This covers expenses for building operations and maintenance, including cleaning and labour services, technical plant operations, utilities, heating, air-conditioning, supplies and technical services. These services were cut back in 1989, partly because of discontinuance of a temporary annex office, in anticipation of a new headquarters building. With the uncertainty of the new building, the President decided to take up additional space in the annex known as IFAD 2 and therefore provision has to be made for various office costs relating to that expanded office. A real increase of $ 25 000 is provided.

(iv) Supplies and Printing. Covers expenses for stationery, office supplies and document reproduction, including print shop operations and paper. As a result of a study it was determined that present photo-copying equipment is cheaper to rent than to purchase and an increase of $ 13 000 is provided in this category, which is more than offset by a decrease in maintenance expenses and in purchase of new photo-copying equipment under sub-paragraph (v) below.

(v) Office Equipment and Maintenance. The budget provides for the purchase of miscellaneous office equipment, typewriters, photocopiers, dictaphones and office fittings, which represent continuing needs for replacement of equipment by rotation, particularly those items purchased during the initial years of IFAD's operations. This caption also covers maintenance expenses of existing equipment. A decrease of $ 24 000 is estimated as a result of the decision to rent photocopying machines, (see sub-paragraph (iv) above).

(vi) Financial Computer Services. Refers to expenses for the operation and maintenance of the existing financial computer equipment and applications related to payroll, accounts, loan disbursements, etc., as well as equipment maintenance, supplies and programming. The real costs for 1990 have been reduced by $ 28 000 because of the lower maintenance costs on a new model mini-computer which has been installed for operating the existing financial system until the Management Information System is fully operative.

(vii) Word Processing and Management Information Systems (MIS). This item covers all expenses for MIS computer operations including hardware, software, suppliers, technical assistance, maintenance programming, training, telecommunications and service fees for data processing and other related services contracted to the ICC (International Computing Center) and other shared facilities. The 1990 Budget of $ 1 100 000 represents an increase of $ 88 000 in real terms to provide for additional technical assistance and application developing/programming in line with the requirement of the MIS programme as approved by the Executive Board. Although the MIS programme was somewhat delayed in starting because of the difficulty in locating the best staff, with savings of some $ 350 000 in the 1988 budget, it is now operating close to the original plan.

(viii) Other Headquarters Expenses include provision for insurance coverage, miscellaneous services, cafeteria operations and equipment, etc. These expenses were reduced by $ 33 000 in real terms in 1989 and it is anticipated that a small increase of $ 14 000 will be required for 1990.

### (b) Professional Services

90. These represent costs of external services used mainly for office and financial administration and are detailed as follows:

Table 7 (b)
(expressed in $ '000)

| OFFICE AND GENERAL EXPENSES | 1989 Budget | Price Increase | Other Increase (Decrease) | Paragraph Reference | 1990 Budget |
|---|---|---|---|---|---|
| (b) Professional Services | | | | | |
| External Auditors' Fees & Expenses | 74 | 6 | 0 | (i) | 80 |
| Money Rates & Other Financial Advice | 138 | 8 | (38) | (ii) | 108 |
| Translators - External, Replacement, English Editor | 93 | 5 | (18) | (iii) | 80 |
| Consultants for Liaison with UN Institutions and Non-Governmental Organisations | 154 | 8 | (77) | (iv) | 85 |
| Consultants-Private Fund Raising | 0 | 0 | 75 | (v) | 75 |
| Legal Services | 24 | 2 | (1) | (vi) | 25 |
| Building, Architect Services | 25 | 2 | (2) | (vii) | 25 |
| MIS Consultants | 210 | 12 | (12) | (viii) | 210 |
| Assistance for Development of New Systems | 76 | 4 | 5 | (viii) | 85 |
| Internal Audit | 5 | 0 | 0 | (ix) | 5 |
| | 799 | 47 | (68) | | 778 |

(i) External Auditors' Fees and Expenses. The 1988 fees negotiated in December 1988 were Lit. 107 million which included Lit. 8 million for a special assignment carried out by the External Auditor in connection with IFAD loans, at the request of the Audit Committee which was confirmed by the Executive Board. It is anticipated that over two years the fees may increase to Lit. 120 million or $ 90 000. A portion of the expense is charged to the audit of the Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification and it is anticipated that $ 80 000 or Lit. 107 million will be sufficient for the 1990 regular programme.

(ii) Money Rates Service and Other Financial Advice. This expense is for two services: a subscription for an electronic information service providing current exchange rates, economic indicators and financial news; and the services of a Financial Adviser to the Fund, who is a participant in the monthly Investment Committee meetings. The amount requested, $ 108 000 reflects a reduction of $ 38 000 to align expenses to the actual incurred in 1988.

(iii) Translators - External, Replacement, English Editor. This allocation is required for part-time replacements for 3 regular translators to provide additional capacity for the Translation Unit, editors for non-meeting documentation and translation into English. The 1990 amount indicates a reduction in real terms of $ 18 000 to reflect actual expenses of 1988.

(iv) Consultants for Liaison with UN Institutions and Non-Governmental Organizations. Consultants used for this activity included a full-time long-term consultant to supplement the two-person professional staff of the External Relations Division. It is now proposed to have a fixed-term professional position to replace the consultant (see paragraph 62) and a reduction of $ 77 000 is therefore made. The remaining amount is to provide for assistance to meet the range of inter-agency affairs and particularly the responsibility of coordinating relations with non-governmental organisations throughout the world.

(v) Consultants - Fund Raising. IFAD programmes depend primarily on resources contributed by Governments. However, IFAD's experience with the Art for Africa show which was carried on in conjunction with its Tenth Anniversary makes it clear there are prospects for fund raising from private sources. This has also been the experience of other agencies, some of which now obtain an important part of their funds from private contributions. The Fund proposes to undertake some experimental work in private fund raising during 1990. While it is anticipated that the level of private contributions to be obtained will more than cover the cost of fund raising over time, initially at least some modest resources must be made available by the Fund itself, and $ 75 000 is included in the 1990 Budget for this purpose.

(vi) Legal Services. This budget item provides for various legal service requirements, including a retainer arrangement with a local law firm, to advise on matters relating to IFAD's operations in Italy - including commercial contract arrangements, official staff privileges and immunities and the legal status of the Fund vis-á-vis Headquarters Agreement, the Italian Government and Italian Juridicial procedures. The 1990 required amount indicates a slight decrease over 1989.

(vii) Building, Architect Services includes technical support for the provisional Headquarters building and fees for general services and technical projects for building improvements. The amount has been held at the 1989 level.

(viii) Management Information Systems and Other Units Systems Development Consultants. Included in these captions are the consultants required for development of the MIS, as indicated in the proposal presented to the Executive Board in September 1987, as well as systems consultants in certain units who are required to work with the MIS team in the design of the overall new systems. The amount has been held at the same level as 1989.

(ix) Internal Audit. The provision for additional professional assistance has been held at the same level as 1989.

(c) Miscellaneous

91. Details are as follows:

Table 7 (c)
(expressed in $ '000)

| OFFICE AND GENERAL EXPENSES | 1989 Budget | Price Increase | Other Increase (Decrease) | Paragraph Reference | 1990 Budget |
|---|---|---|---|---|---|
| (c) Miscellaneous | | | | | |
| Hospitality | 33 | 2 | 0 | (i) | 35 |
| Library, Books, Periodicals | 73 | 4 | (4) | (ii) | 73 |
| UNIC, UN Liaison & FAO Charges | 129 | 7 | (26) | (iii) | 110 |
| Other | 30 | 2 | 0 | (iv) | 32 |
| | 265 | 15 | (30) | | 250 |

(i) Hospitality. Provision is made for inflation only at 6.4% for a total of $ 35 000.

(ii) Library, Books and Periodicals. New acquisitions continue to be limited due to a lack of space. The 1990 requirement remains at the same level as 1989.

(iii) UNIC, UN Liaison and FAO Charges. IFAD shares in the costs of services provided by certain UN offices, including liaison with UN New York through the World Food Council in the UN. Also under this caption are charges for FAO services such as medical and skills testing. A decrease of $ 26 000 has been provided to reflect currently estimated actual expenses in 1989.

(iv) Other. Includes minor office expenses such as urgent stationery supplies, local fares and electrical or cleaning materials. Provision for inflation only is being made.

## IX. OTHER OPERATIONAL EXPENSES

92. This category of the budget contains a variety of expenses which, although not directly related to projects, are necessary for IFAD's operations. Duty travel is the main item and there are also expenses associated with the promulgation of information on IFAD's projects (e.g. films, media work, annual report, publications) or in connection with IFAD's external relations with other agencies, institutes, governments and non-governmental organisations. Details are provided in Table 8 below together with explanatory paragraphs.

Table 8
(expressed in $ '000)

| OTHER OPERATIONAL EXPENSES | 1989 Budget | Price Increase | Other Increase (Decrease) | Paragraph Reference | 1990 Budget |
|---|---|---|---|---|---|
| Duty Travel: | | | | | |
| Air Fares | 1 034 | 103 | 20 | (a) | 1 157 |
| Subsistence & Other Expenses | 563 | 36 | 80 | (a) | 679 |
| | 1 597 | 139 | 100 | | 1 836 |
| Special Studies | 63 | 4 | | (b) | 67 |
| Headquarter Information | | | | | |
| Consultants | 120 | 7 | 13 | (c) | 140 |
| Documentary Films, Media | 233 | 13 | (11) | (d) | 235 |
| | 353 | 20 | 2 | | 375 |
| Annual Report | 211 | 13 | 0 | (e) | 224 |
| Other Publications | 198 | 12 | (60) | (e) | 150 |
| | 409 | 25 | (60) | | 374 |
| Support for UN Committees: | | | | | |
| Development Forum | 5 | 0 | 0 | (f) | 5 |
| ICSC/CCAQ | 16 | 1 | 0 | (f) | 17 |
| ACC Sub-Committee on Nutrition | 20 | 1 | 0 | (f) | 21 |
| Non-Governmental Liaison Service | 30 | 2 | 0 | (f) | 32 |
| | 71 | 4 | 0 | | 75 |
| Participation in and Hosting of Meetings | 38 | 2 | (10) | (g) | 30 |
| GRAND TOTAL OTHER OPERATIONAL EXPENSES | 2 531 | 194 | 32 | | 2 757 |

### (a) Duty Travel

93. After successive decreases in the 1988 and 1989 Budgets for Duty Travel, it is proposed to include a real increase of $ 100 000, mainly to strengthen the participation of Project Management Department staff in project implementation/follow-up and supervision activities. Provision has also been made for a price increase of 10% in air fares and an average upward adjustment of 6.4% in subsistence allowances.

### (b) Special Studies

94. In support of the Fund's activities and its overall strategy, it is necessary from time to time to carry out special studies on development and policy issues as well as on operational guidelines which serve as a basis for Board documents and IFAD's inputs to various UN meetings and seminars. Important areas of interest for IFAD as outlined in the 1989 budget document are: (a) further elaboration of IFAD's proposed programmes for (i) small-scale enterprises for the landless and, (ii) for poverty alleviation through environmental preservation; (b) the Uruguay Round of Trade Negotiations and the likely impact of agricultural trade liberalization of IFAD's target group; (c) the debt burden of developing countries and its implication for resource allocation to agricultural development especially the smallholder sector; (d) price/output relationship and the consequences of inter-intra price fluctuations on smallholder production and the need for marketing support; (e) review of IFAD's experience with participatory development as an input to the International Conference on Putting the People First, to be organized by the Economic Commission for Africa in February 1990; (f) IFAD's experience in promoting rural women's economic self-reliance and social status.

95. IFAD will also be providing substantial input for the preparation of the Secretary-General's final report on the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD) in the form of eight working papers. With the resumption of the deliberations of the High-level Intergovernmental Committee on the Future Financial Basis of IFAD, it will be necessary to prepare numerous background papers and studies as it has been for the High-level Expert Group and the High-level Intergovernmental Committee in the past three years. Accordingly, the 1989 allocation of $ 63 000 for these studies has been maintained for 1990 at the same real value.

### (c) Headquarters Information Consultants

96. The Information and Communications Division must continue to employ consultants having diverse experience for transmitting media information to various countries. There are currently two consultants on recurrent contracts and short-term consultants for such activities as film and TV productions and other public information programmes are required. A growing need has been identified to utilise periodically the services of a Spanish-speaking Information Consultant. This represents an increase of $ 13 000 over the standard price increase of $ 7 000.

### (d) Documentary Films, Media

97. In order to project a clear image of the work being carried out in the IFAD projects and to convey to the international public what the Fund is actually achieving through its projects, the increased level for media activities which was approved in the 1989 Budget, is maintained for 1990. To maximise the value of resources available in IFAD's media budget, a major effort is made to coproduce (and cofinance) as many undertakings as possible. The following is an indicative break-down for media-related activities:

| | | |
|---|---|---|
| (i) | visits to project locations and IFAD Headquarters by selected groups of journalists and other media representatives | $ 30 000 |
| (ii) | Production of a TV programme on IFAD-supported projects in Latin America and the Caribbean | $ 20 000 |
| (iii) | Production of film on IFAD-supported projects in South East Asia (Indonesia, The Philippines, Thailand) | $ 20 000 |
| (iv) | Filming of IFAD-supported project in Africa (Swaziland, Lesotho, Malawi) | $ 20 000 |
| (v) | Filming of IFAD-supported projects in The Sudan and Egypt | $ 20 000 |
| (vi) | General Documentary films on IFAD | $ 20 000 |
| (vii) | New IFAD Institutional film | $ 10 000 |
| (viii) | Production of Radio Programme | $ 10 000 |
| (ix) | Photographic coverage of IFAD projects to be used for media, publications and exhibitions. This is essential for the replenishment of IFAD's photo library, which is showing signs of overuse and gaps in certain regions | $ 30 000 |

| | | |
|---|---|---|
| (x) | Supplies (video cassettes & photo firms): Reproduction and extensive distribution of television programmes (editing, dubbing etc.) and photographs | $ 35 000 |
| (xi) | Professional services of short-term consultants to cover special events (i.e. media liaison consultants during important visits to member countries of senior IFAD officials) | $ 10 000 |
| (xii) | Organization of World Food Day activities | $ 10 000 |
| | TOTAL: | $ 235 000 |

### (e) Annual Report and Other Publications

98. IFAD's Annual Report is its main publication, which contains the Fund's Financial Statements and also provides official information on its activities and operations to Member Countries as well as to financial institutions, non-governmental organisations and other parties who are interested in IFAD's work. The budget allocations for other publications will be devoted to publications concerning specific issues and audiences and a Publications Committee reviews the content and format of publications. After providing for an inflationary increase of $ 25 000, the budget for this item has been reduced by $ 60 000, reflecting lower actual usage in 1988 and 1989 and the fact that the special report on "The State of World Poverty", financed under Special Studies, will be the major undertaking in 1990.

### (f) Support for UN Committees

99. IFAD has been providing contributions to the budgets of certain UN sponsored committees which are related to project or administrative work. Details are as follows:

(i) Development Forum, supplements other channels of information by carrying articles on development issues including matters of interest to IFAD. It is proposed that the level of contribution of 1989 of $ 5 000 be maintained for 1990.

(ii) ICSC - The International Civil Service Commission regulates and coordinates the conditions of service of the United Nations Common System. The work of ICSC is divided into three main sections: cost of living, salaries and allowances and personnel policies.

Although IFAD is not a member of ICSC, it generally follows the Common System practice and participates in meetings of ICSC and in the collection of data required for comparisons of conditions of service. Accordingly IFAD pays a share proportionate to the number of staff, which amounts to approximately $ 12 500 a year.

(iii) CCAQ - The Consultative Committee on Administrative Questions is a sub-committee of the Administrative Committee on Coordination and has two wings, Personnel and Finance and Budget, in both of which IFAD is involved with other UN agencies. As with the ICSC, the cost of the CCAQ secretariat is shared in proportion to the number of staff and IFAD pays a share of approximately $ 4 500 a year.

(iv) ACC Sub-Committee on Nutrition - IFAD's primary focus on rural poverty alleviation demands appropriate attention to methodologies for the introduction of nutritional considerations in the projects it finances. IFAD's participation in the sub-committee enhances understanding of the Fund's specific activities within the UN system, international financing institutions and bilateral agencies. IFAD's contribution to the activities of the sub-committee for 1989 was $ 20 000 and this is increased to $ 21 000 for inflation.

(v) The Non-Governmental Liaison Service (NGLS) acts as a catalyst to bring together certain non-governmental groups with international organizations and helps organisations to identify and obtain background materials, including film and audio-visual materials, from non-governmental as well as UN System sources. In 1989, IFAD contributed $ 15 000 to NGLS-Geneva and a similar amount to NGLS-New York. The same amount plus an inflationary increase of $ 1 000, will be provided in 1990.

### (g) Participation in and Hosting of Meetings

100. This budget item is to meet the costs of hosting relevant meetings of importance to IFAD's work in order to share information with other international organisations and with non-governmental organisations on its approaches to poverty alleviation. The cost of such activities in 1990 will be limited to $ 30 000, which is a real decrease of $ 10 000 from 1989.

## X. OTHER ITEMS

### A. Expenses on the New Headquarters Building

101. There has been no new development in this issue. The Italian Government has a long outstanding commitment to provide IFAD with permanent office facilities. Since 1984, IFAD budgets have included a provision for costs that will have to be incurred for moving and settling into these new facilities when they are ready. That event has not yet occurred, and none of these past budget resources have been used. Despite renewed assurances provided solemnly during the Eleventh Session of the Governing Council by the Governor for Italy to IFAD that these new facilities would be available in 1988, no specific arrangements have yet been formally notified to IFAD. There is no other recourse, therefore, than to continue to include $ 400 000 in the 1990 Budget in the hope that new facilities will be available during that year.

### B. Contingency

102. Since the official rate of exchange for Italian Lire in terms of dollars will be established at the time of the approval of this budget by the Governing Council, and the respective budget amounts appropriately adjusted to that rate, the Contingency is to meet any deterioration in the dollar beyond the approved rate. The Contingency is also available to meet any other unforeseen expenses, with the approval of the Executive Board.

103. The amount of the Contingency in the 1987, 1988 and 1989 Budgets was $ 500 000.

104. Although the Contingency has never been utilized except in 1981 it is proposed to maintain the Contingency at the same level for the sake of prudence.